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OF CANADA
The Canadian Newspaper for Investors

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DAVIES INQUIRY SHOULD NOT END UNTIL THE MOTIVE OF THE CHARGES IS INVESTIGATED

Saturday Night Should be Called Upon to Explain Its Position—Publisher Had to do With Shell Orders.

SIR JOSEPH WAS CLEAR AND CONVINCING

Justified Profits From a Business Standpoint—Did Not Point Out the Advantages to Canada of the Business Which the Country Received Through the Davies Plant.

WITH the conclusion of the inquiry into the affairs of the William Davies Company—a conclusion almost dramatic in the quelling effect of the clear and convincing statement of Sir Joseph Flavelle—the question again arises as to who and what directed the attack upon him. For the majority of clear thinkers who have followed the whole affair have appreciated that it was the Chairman of the Munitions Board who was made the target and that the packing concern was only made the means to that end. Nor were the charges against the Davies Company warranted in the first place by the report of Commissioner O'Connor upon which they were—supposedly at least—based.

THE FINANCIAL POST has previously pointed out that there is something sinister about the whole thing. We believe that there should be a further inquiry to endeavor to find, if possible, what has been behind this obvious effort to drive a man who has done signal service for the nation from the position where he has done and is still doing that great service.

What is there in the report that the whole affair was "framed" by certain disgruntled munitions manufacturers whose bulky profits were skimmed of the cream? This is a report which should be disposed of. We are in a position to state that many of the largest shell makers were anything but pleased with this alleged motive of the attacks.

What is the connection of H. Gagnier and *Saturday Night* with the matter? Why the attacks by that publication? Why the demand in the current week's issue—after the completion of the inquiry—for the resignation of Sir Joseph Flavelle from the Chairmanship of the Imperial Munitions Board? A demand coupled with the ridiculous charge that he is an encumbrance to the office and that the Canadian public is calling loudly for his retirement.

Saturday Night at the inquiry "investigated" Flavelle and the inquiry should not stop until it in turn is investigated, to find out how far its attacks were inspired by the relations of its publishers with the Munitions Board in regard to shell contracts.

THE FINANCIAL POST stands now as it has in the past for the principle of big business men for the handling of the nation's big business. When such men step into the breach it is not fair that they should be handicapped by trumped-up charges.

That Minimum Price.

The statement of Sir Joseph Flavelle when he took the stand in the Davies' inquiry justified the attitude which has been taken in these columns regarding the whole affair. We have previously pointed out that the crux of the inquiry from the standpoint of the public who approached the matter with an open mind was in connection with the guarantee as to minimum prices. In this connection we have previously given the explanation of Mr. Fox which justified the matter from a business standpoint. The statement of Sir Joseph did likewise.

However, the fact remains that—although it was justified from a business standpoint and although it was not known to Sir Joseph—the company secured business from the British government on a basis of treatment which has not been accorded in other lines. The company cannot be blamed for taking the best terms it could get—terms to which it was perhaps entitled in view of the risks of encroaching upon a new market—but a protection as to cost with the privilege of selling without restriction as to profit indicated a basis which did not accord with the sentiments expressed to the Canadian munitions makers by the president of the company.

That Canada suffered by this arrangement of a minimum price is not indicated. In fact the indications are strongly to the contrary. The circumstances were that the British government wanted greater supplies. This necessitated the company extending its field on a scale not warranted by ordinary conditions with purchases on a scale which would have meant heavy loss had the war ended suddenly. The company was given a minimum guarantee to encourage the enterprise. On this basis a substantial volume of business was taken from American packers and brought to Canada and the benefits therefrom accrued to this country.

An Asset to Canada.

To those who appreciate the necessary factor of the packing plant in relation to the country's bacon and beef industries it was no doubt matter for some surprise that Sir Joseph in his evidence made no effort to enlarge upon this feature of the situation. He made no claims of benefiting the country but endeavored to fully justify the company's operations from a straight business standpoint and that he did it effectively even an unfriendly general public will generally admit.

From the standpoint of economic advantage there are several points which might be made. In the first place it must be recognized that the live stock industry is an important asset to Canada. It is on the basis of the export trade that the nation reaps the benefit and Canada could hold no place in that trade under the existing conditions and in connection with other nations if it were not for the packer.

The government should at once consider the establishment of a minimum price for hogs which will encourage continued production on a large scale as has been done with wheat.

No concern or no individual doing business in a big way can make large profits without bringing benefits to the community many times greater. In the case of the Davies Company it has been shown that the profits were but 4 per cent. of the $34,000,000 brought into the country. Canadians got $34,000,000 for their product and the company got less than $1,500,000 for its important part in connection with the orders. Any business man knows that 4 per cent. is not a large margin and that only where there is an immense volume of trade efficiently handled could it be found ample to provide a profitable margin.

Comparative Profits.

The large profits of the Davies Company were the result of the immense volume of business handled and not because of any undue margin on the turnover. It is this fact and the fact that other firms in the same business did not make large profits which provides an example of the benefits of efficiency in business.

Many will argue that the basis of profit should be struck to provide a sufficient margin to the most efficient producer. If this were the case the smaller manufacturer or those with older plants would immediately be forced out. The result would be that there would soon be a lack of competition. In the long run the public would suffer from such a state of affairs.

One firm may manufacture an article for $1.00, another the same article for $1.10, and still another for $1.20. If the retail price is made $1.30 the third maker would make 10c and the first 30c. But if it was decided that 10 cents was sufficient profit and a price regulated to that basis the one manufacturer alone would be able to live, the other two would be forced out and a monopoly would result.

EMBARGO ON WOOL.

British Government Takes Action Affecting Textile Trade.

Just before going to press THE FINANCIAL POST received word from H. M. Trade Commissioner in Montreal that the exportation of "wool and manufactures thereof" had been prohibited. In the absence of further particulars this may be taken to mean that the woolen and knit goods mills will have still greater difficulty in securing their raw materials. On the other hand the embargo on the export of woolens and knit goods from England will make domestic users still more dependent on Canadian mills and improve the demand.

SIR ADAM BECK IS FAILING THE MUNICIPALITIES

Mayor Church Sends Out a Cry For Help to Ottawa.

DEMAND CAN'T BE MET

Municipal Services to Suffer if Supply to Industries is Maintained—No Early Relief Appears to Be In Sight.

The appeal of Mayor Church to Sir Robert Borden, Hon. J. D. Reid and Sir Henry Drayton, on behalf of Toronto, to take immediate action to insure to the city a sufficient supply of power from the Hydro-Electric commission, so that munitions manufacture will not be curtailed or street lighting interfered with, attracts further attention to the approaching crisis in the power program of Sir Adam Beck. Other municipalities are being notified that they must also curtail their consumption of power.

The truth of the situation from enquiries made by THE FINANCIAL POST, appears to be that, owing to the fact that through lack of foresight the present demand for power was not foreseen by Sir Adam and not provided for, the municipalities will have to go short if industrial operations on munitions and other needed products are not to be handicapped. The municipalities have been aroused to the situation but for the time being their demands appear to have been appeased by Sir Adam's explanations. However, it seems evident that the actual situation is not being met and that before the winter is over the actual shortage will prove a serious problem.

The municipalities were allowed to believe that the purchase of the Ontario Power Company by the Commission would prevent a shortage but Sir Adam must have known that this was not a practical solution because all the power being generated was already sold to consumers. The company generates 160,000 horse power of which 100,000 horse power is being used by the municipalities while the balance is under contract by consumers in the United States—contracts which must be observed if Canada is not to look for retaliatory measures as regards coal and oil. The commission is in reality the big exporter of power to the United States.

An Ambitious Program.

Sir Adam's ambition to control all the power developed on the Niagara and sell to all consumers, differs greatly from the program of Sir James Whitney, which was for the purchase of power and its distribution to the municipalities. He is even making contracts for power which he evidently cannot deliver. It is reported that he recently made a contract with the British Forgings for 23,000 horse power and another with the Massey-Harris Company. The municipalities are being asked to reduce their consumption to meet these industrial demands.

Nor does the Chippewa project in its present stage provide a solution of the problem. The commission may never be allowed to go on with it. It is contrary to the contract of the government which is the basis for an action before the Privy Council in England. In any event it is estimated

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RAILWAYS IN CLOSE RELATION TO BUSINESS

Argument That Advanced Rates Needed to Insure Service.

SOME INTERESTING FIGURES

Statistics Showing How the Increased Cost of Labor, Fuel and Materials is Affecting the Canadian Systems.

The transportation situation in Canada, to which attention was drawn in the last issue of THE FINANCIAL POST, may well be seriously considered in relation to the general business situation. The statements of Mr. Smithers were no doubt convincing to all those who understand that the railways must have revenue if they are to provide the facilities so much required in Canada at the present time. Besides, from the standpoint of Canada's standing with the British investing public, there can be no doubt of the unfavorable effect of the Grand Trunk going to its investors without being able to even offer them a slight return on the preferred stock. This, despite the fact that they must be convinced that Canada is prosperous, and is not, from the standpoint of material prosperity, suffering from the effects of the war.

General business throughout the country, in fact, continues on a satisfactory basis. Purchases for war needs are an important factor in the situation. In Western Canada the high returns from agricultural products are bringing a prosperity which must be more or less reflected in the East.

For Political Reasons.

It has been suggested that the Commission have laid themselves open to the imputation that their delay, by forcing the Grand Trunk into more serious financial and physical difficulties, may enable the property to be acquired at a depreciated value, to be linked up with the Canadian Northern as the Drayton-Acworth report favored. It was hinted this week that it would be hopeless for the railways to expect any action until after the elections were over; that "increased freight rates" would be an unpopular cry to have turned against them in the West, and that, as, a result, the just and pressing demands of the railways would be subordinated to political expediency.

When the case of the Grand Trunk was being set forth by Mr. Smithers it was stated that the company was facing enormous increases in the single year—in labor, $4,500,000, and a coal bill of $6,000,000 more, and that these increases not only smothered up the increase in gross earnings, but ate as deeply into the surplus. As a matter of fact the increase that the freight increases applied for would secure, some $4,000,000, would not cover one-third the actual advance in operating expenses for the one year alone.

Position of the C.P.R.

The position of the Canadian Pacific Railway, from the operating standpoint, is almost equally serious. The figures that were presented to the government, as quoted below, were based upon the existing scale of wages. Since then new demands have been made upon the company by practically all the operators, conductors, trainmen, engineers, firemen, maintenance of way men, and even the station agents; while a substantial increase was granted very recently to the telegraphers. If these were added—and large increases have been agreed to already in the negotiations of the past two weeks—several millions more would be required to bring the total up to a November footing.

Even using the figures of requirements for 1915 (20 per cent. below the mark) the increased expenditure for wages, fuel, etc. for 1917-18 over 1915 will be $21,699,920. These represent a 35 per cent. increase all round. They are divided as follows:

	Amount.	% Increase
General purchases ..	$ 4,869,504	60.3
Fuel purchases	6,659,441	82.3
Tie purchases	695,635	47.0
Stationery purchases	502,340	60.0
Labor	8,973,000	18.0
Total increase	$21,699,920	35.8

The granting of the eight-hour day to practically all employees involves an enormous and permanent increase in the cost of labor. The 15 per cent. increase in freight rates will not nearly cover the increases in a single year in all the departments specified above.

REPORT SAYS $10,000,000 FOR C.N.R. MAXIMUM

Ottawa Hears That the Maximum Figure Has Been Fixed.

AGREEMENT NOT SIGNED

Sir William Mackenzie and Sir Thomas White Both Deny That Papers Have Been Finally Passed by Them.

Special to The Financial Post

OTTAWA. — The agreement between the Canadian Northern Railway and the Privy Council has been prepared and will be brought before the Cabinet this week. If ratified, it will be signed at once, and the Arbitration Board will be able to start work immediately. The Government and the company have already named their arbitrators in Sir William Meredith and Judge Phippen. As soon as the agreement is signed they will meet and select a third.

The chief feature of interest about the agreement from a public standpoint is the amount which will be fixed as a maximum to be paid for the stock. While nothing official has been given out, and those interested refuse to give any intimation, yet it is believed that the maximum amount has been fixed at ten million dollars. There is some interest as to the attitude which will be taken by the new Liberal Cabinet Ministers to the agreement. It is not believed that they will oppose the agreement, especially with the maximum fixed at such a figure.

There have been rumors that the agreement has been signed. This is denied by both Sir William Mackenzie and Sir Thos. White. However, it is admitted that the agreement has been drafted, and is about ready to come before the Cabinet Council for final approval.

SHOE FACTORY CLOSES

Taylor Concern Has Operated For Fifty Years in Halifax.

Special to THE FINANCIAL POST.

HALIFAX.—An interesting phase of the industrial life of Halifax is the closing down of the factory of the Robert Taylor Shoe Company. The factory has been in operation for half a century. The company is still strong financially but deemed it best to close the manufacturing end of the concern and continue solely as boot and shoe jobbers and push its rubber agencies. In due time the factory may be reopened but there is no immediate prospect of this. The labor hitherto employed in this factory has scattered and would not be easily assembled again even if this were considered.

ASSESSMENTS REDUCED.

Gross Assessments of B. C. Municipalities Show a Reduction

Another cut in gross municipal assessments in British Columbia is reported by Robert Baird, inspector of municipalities, whose compilation of the returns from the province's thirty-five cities and twenty-eight rural municipalities has just been completed. Mr. Baird shows total assessed values, not including exempted values, of $579,726,111. This compares with $610,240,473 in 1916 and $682,886,941 in 1915. City assessments have been reduced from $410,512,724 to $399,873,935 and rural assessments from $199,727,749 to $179,852,176 between 1916 and 1917.

GUARANTEE BACON PRICES TO FARMERS

The Outlook for Bacon Next Year is Settled in the Next Month.

PRICES SETTLE SLIGHTLY

Hog Prices Are Depressed—Margarine Selling for High Prices Miss Hind's Report From West.

By F. M. CHAPMAN,
Editor, "The Farmer's Magazine."

Many farmers who foresee the need for more production of staple foodstuffs argue very intelligently for a minimum price. That Canada will have to largely supply Great Britain with bacon, beef and wheat next year, demands that every effort be put forth to get this produce on a bigger scale than ever. Farmers generally are not favorable to more production campaigns. They feel that they know nothing definite about conditions and have no insurance against loss. Therefore many leaders of farm thought claim that a minimum price for bacon, beef, wheat and beans over a period of two years would put some backbone into the movement and wheel doubting farmers into line more quickly than any other method. Many undertakers of business, without the farm viewpoint, cannot see why the farmers will not produce on the present outlook alone. They know the situation but the man on the back fifty is in a different place. He knows nothing as the men in the Food Controller's office know it. The Empire can tell him the quickest way by doing as France and Great Britain have done—that is by a guarantee of prices for two years.

It is contended by men such as Prof. Day of Guelph, the man most in touch with agriculture in the production of pork, that a guarantee of, say, 12 cents to the farmer, would tend to send a lot of pigs to the breeding pens now, and assure a supply of bacon twelve months hence. This price would not mean that the farmers would receive any less price now, nor antagonise the consumers if they know the reason. It would simply be a form of insurance to the man who is furnishing the sinews of war, under the high cost of feeds, labor and building materials. The government will never be called upon to pay any deficits, indeed if the government have not faith in the future how can they consistently expect agriculture to do it? What is more, it is the plain fact of the case to those who know the situation that the farmers will not produce next year in any way like they are expected to do, unless some such measure is adopted.

Miss Cora Hind telegraphs from Winnipeg to-day to THE FINANCIAL POST:

Weather throughout the entire West is most unfavorable for the completion of threshing and of other fall work. Snow falls have been heavy and inclined to remain which is putting the winter at least 12 days earlier than any record since 1882. For the time being, threshing is suspended entirely.

Stocks in the interior elevators have increased materially in the past week and are seven million bushels greater than at the corresponding date of last year, but if the present weather keeps up, this situation is likely to be materially altered.

Markets in all grain are very dull and monotonous; the Wheat Export Company continues to take everything offered and would gladly take more. Millers are tentative buyers of small quantities of low grade grain, but cannot be said to have been in the market actively during the past week. The covering of oat shorts in the south has had the effect of stiffening the oat market at Winnipeg considerably. Oat stocks at Fort William, available for purchase, are very small and present indications are that the demand in the west will be pretty heavy owing to the increased lumbering which it is hoped will be carried on this season. Every effort is being made to get gangs of men into the woods and horses also are in demand and are both scarce and dear.

Livestock conditions have not been active during the week and the heavy

Continued on page 6.

BANK OF MONTREAL
Established 100 Years (1817-1917)

Capital Paid up, $16,000,000. Rest, $16,000,000.
Undivided Profits, $1,557,034.
Total Assets - - - $386,806,887.

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Branches and Agencies { Throughout Canada and Newfoundland
Also at London, England
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THE MERCHANTS BANK OF CANADA
Established 1864 Head Office, MONTREAL
President—Sir H. Montagu Allan, C.V.O. Vice-President—K. W. Blackwell
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Paid-up Capital	$ 7,000,000
Reserve Fund and Undivided Profits	7,421,292
Total Deposits	92,102,072
Total Assets	121,130,558

233 Branches and Agencies in Canada, extending from the Atlantic to the Pacific.

A GENERAL BANKING BUSINESS TRANSACTED

Special attention given to Collections. SAVINGS BANK DEPARTMENT AT ALL BRANCHES.

Commercial and Travellers' Letters of Credit issued, available and payable, respectivly, in all parts of the world. Travellers' Cheques issued in convenient denominations, payable at par throughout the world.

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Established in 1836. Incorporated by Royal Charter in 1840.
The Bank of British North America
PAID-UP CAPITAL, $4,866,666. RESERVE FUND, $3,017,333.
Statement to the Dominion Government (Condensed)
29th September, 1917.
LIABILITIES TO THE PUBLIC.

Notes in Circulation	$ 6,033,079
Deposits	53,047,148
Other Liabilities	1,490,147
	$60,570,374

ASSETS.

Cash on hand and in Banks	$10,858,736
Deposit with Government on account Note Circulation	245,822
Government, Municipal and Other Securities	11,856,046
Call and Short Loans	7,009,259
Current Loans and Discounts and Other Assets	38,361,837
Bank Premises	2,504,579
	$70,836,279

The Standard Bank of Canada
Quarterly Dividend Notice No. 108

NOTICE is hereby given that a dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending October 31st, 1917, and that the same will be payable at the Head Office in this City, and its Branches, on and after Thursday, the 1st day of November, 1917, to shareholders of record of the 20th of October, 1917.

By order of the Board,
C. H. EASSON,
General Manager.
Toronto, September 21st, 1917.

IMPERIAL BANK
OF CANADA
DIVIDEND NO. 109

Notice is hereby given that a Dividend at the rate of twelve per cent. (12%) per annum upon the paid-up Capital Stock of this Institution has been declared for the three months ending 31st October, 1917, and that the same will be payable at the Head Office and Branches on and after Thursday, the first day of November next.

The transfer books will be closed from the 17th to the 31st October, 1917, both days inclusive.

By order of the Board,
E. HAY,
Toronto, 19th Steptember, 1917. General Manager.

THE MOLSONS BANK
Incorporated by Act of Parliament 1855
Capital Paid Up - - - $4,000,000
Reserve Fund - - - 4,800,000
HEAD OFFICE, MONTREAL
98 BRANCHES
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NEWS OF SECURITIES — Depression Continues

WITH big war financing hanging over both the American and Canadian markets, there has been little or no change in the investment situation during the week. The general tendency has been to lower levels as for some time past. The market has been narrow and dull, and soft spots have shown a tendency to develop under very small selling pressure. At the same time the market for many of the better investment stocks is evidently getting bare and brokers are of the opinion that this is an indication, not only that the bottom of the movement is being approached, but that conditions are taking shape where any improvement in the general situation which would result in a revival of public confidence might result in a substantial upturn. However, all things considered, it is to be doubted if there will be any broad demand in Canada until the war loan is disposed of unless there is a rebound in the American market after the close of the loan there which would give an inspiration to Canadian investors. Generally speaking, the opinion still prevails that there are many stocks selling at prices which make them very attractive investments and there is an increasing feeling that even the speculative issues are in many cases getting close to "bed-rock."

Following are some opinions as to the conditions prevailing in the American investment situation:

"The whole explanation of the present most unsatisfactory market conditions is summed up in the two words 'war taxation,' with taxation spelled in capital letters. A heavy burden has been thrown upon business and capital which has broken its back. Not because the burden is heavier than the country's back can bear, but because the burden was thrown on instead of being scientifically adjusted and arranged so that it would be easy to bear. It is the same as if a big load were thrown precipitately upon the back of a beast of burden. The beast would stagger under a load imposed in this manner, whereas if the load were carefully placed and properly adjusted the burden would not be irksome nor would the animal have the least difficulty in walking away with it.

"This is in effect the way the taxation burden has been precipitately thrown upon the back of American business and capital. A committee of business and scientific men should immediately be organized to adjust this burden. This country, if the present taxation burden is adjusted correctly, can bear it easily. As a matter of fact it could stand up to $2,500,000,000 taxation annually if the burden were scientifically and economically adjusted."—Opinion of a prominent international banker.

It is worthy of special mention that a very remarkable change has taken place in the attitude of the Government toward big business since the war began. Previously our leading business men were often *persona non grata* at Washington, prejudice having run so deep that men of unquestioned character were frequently regarded as criminals, simply because they had been successful. All this has changed. The big business men of the United States invaded Washington in force to help the Government, without pay and at heavy sacrifices to themselves. Such a remarkable display of patriotism by the leading men in industry and trade has never been seen before in any country, and the result is there was never a better understanding between Government and business than exists in the United States to-day. Let us hope that these better relations will extend to the national Legislature also, where prejudice has proved most injurious.—Henry Clews & Co.

STEEL

Market Quiet and Volume of Trading Light Due To Influence of Pending War Loan.

By P. BAIN, M.E.,
Editor, Canadian Machinery.

Very little attention is now being paid to steel securities as the market is under the influence of the coming war loan. On this account business is dull and price ranges narrow. The steady decline in prices has created an impression that stocks will be cheaper and buyers are thus keeping out of the market while holders of securities are not anxious to sell at a loss, so are sitting tight. There is doubtless some liquidation in view of the war loan, but this is not of any great volume. Present conditions seem likely to prevail until the war loan is disposed of, when the situation should be easier. There is little doubt that providing the international situation continues favorable, the sound position of the steel companies will ultimately be reflected in the stock market by an upward trend in prices. Conditions in the steel industry are becoming more favorable partly because of the elimination of competition for mills in the United States due to the embargo. Indications also point to a steady volume of business for several months to come which will be reflected in continued large earnings.

With regard to consumers of steel products in Canada, the situation is not so favorable, there being every indication of a serious shortage of steel due to the enormous tonnage required for war purposes. This applies more particularly to steel products hitherto imported from the States and not made in Canada. On account of the embargo, no steel can come into Canada except for war purposes or contributory thereto. This cuts off supplies of steel for ordinary commercial purposes and will thus benefit Canadian mills. The entire output of the mills will be supervised by the Priority Board who will see that the U. S. Government and Allies have all the steel that is required for war purposes and then allot what is left for commercial purposes.

In view of the large tonnage required for war purposes, it will be a difficult matter to meet the demands of the ordinary consumer to the full extent of his requirements. This being the case it is unlikely that the embargo will be modified to a greater extent than has already been done, although some leniency may be shown in the interpretation of the clause for war purposes or contributory thereto. In any event consumers not working on war contracts are bound to suffer and manufacturing operations will be restricted. This is the most serious feature of the whole situation for those concerns using material such as can only be obtained from the States. Manufacturers who use domestic material will not be inconvenienced except perhaps through some delay in deliveries which can be overcome by judicious purchasing. Work on the so-called "Mystery Block" in Toronto has been stopped indefinitely as the steel could not be brought in from the States on account of the embargo.

It is understood that the fixed prices do not apply on export business. This may be so for the time being as the mills are not booking orders at the new prices because they have no steel to deliver except on high priced contracts. All new contracts will of course be subject to investigation by the Priority Board. The embargo also tends to neutralize the effect of the agreed upon prices and at the present time there is no indication of a general recession in prices.

	Close Oct. 18	Close Oct. 25	Change
Can. Car, com...	19	19	...
Do., pref.	52	50	—2
Can. Loco., com..	58	58	...
Do., pref.	84½	84½	...
Gen. Elec.	100½	102¼	+1¾
Dom. Bridge	129½	129	— ½
Dom. Iron, pr. ..	88	88	...
Dom. Steel	55¾	56	+ ¼
N.S. Steel, com. ..	79	79⅞	+ ⅞
Do., pref.	105	105	...
N. Stl. Car, pr...	19	19	...
Stl. of Can., com..	51	51⅞	+ ⅞
Do., pref.	85	85½	+ ½
Rus. Motor, com..	63	51	—12

DOMINION FOUNDRIES AND STEEL.

One of the leading officials of Dominion Foundries recently visited Washington from which it may be inferred that the company has secured important war contracts. Reticence is being observed however, as to their constituent.

ONTARIO STEEL PRODUCTS.

Ontario Steel Products regular quarterly dividend of 1¾ per cent. on the preferred is payable Nov. 15 to shareholders of record Oct. 31. There have been no transactions recently in the company's stock. Latest advices indicate that manufacturing activity continues on a satisfactory basis.

STEEL CO. OF CANADA.

Steel of Canada has been very steady this week, the variation in price being hardly one point. In view of the situation in the steel industry the stock appears to be a good purchase at present price. The company's products are so many and varied that it will benefit by the new conditions that have arisen in the trade to a greater extent perhaps than the other steel concerns in this country. There is a good demand for the company's products and competition in many lines has been eliminated by the embargo on steel products from the States. It is reported that the company has a large volume of business on hand at remunerative prices, including among other lines, bolts, nuts, rivets, etc., for steel and wooden shipbuilding.

DOMINION BRIDGE.

Liquidation of a block of Bridge stock is said to have been the reason for the recent decline. The stock sold down to 129 but recovered and is now steady at 130. Reports continue very favorable concerning the company's business both in regard to munitions and marine work.

NOVA SCOTIA STEEL.

It is not unlikely that Scotia dividend will be increased to a 5 per cent. rate. A dividend of 2½ per cent. was declared last June, but no official statement has been made regarding further dividends. Meanwhile the stock has dropped to 80 and gives no hint in its price level of sustained dividend action. Inasmuch as a dividend of 20 per cent. in stock is payable November 20 this means that the present holder of 100 shares of common will on that date own 120 shares. The $5 dividend on this 120 shares would be equivalent to $6 per share on the present stock. In other words, $5 per share on the $15,000,000 common outstanding November 20 would be equal to $6 per share on the present $12,500,000 common. Nova Scotia Steel is earning at the rate of slightly better than $20 per share on the $15,000,000 common. This is after payment of the heavy Canadian war taxes. Under these conditions a $5 per share dividend is not imposing any very heavy burden.

DOMINION STEEL CORPORATION.

Reports are again current regarding an increased distribution on Dominion Steel stock this year. It appears that there is some possibility of a bonus or extra dividend being declared on the common stock at the next quarterly disbursement. The market has not as yet given any indication of an increased distribution as the stock has been practically stationary all the week. The stock is now around 55½.

TEXTILES

Trading Light But Stocks That Were Dealt in Made Strong Showing.

Sales for the week of the textile securities were limited to a couple of mills, but these stood up strongly and in one case a gain of 3 points over last week was registered.

Market conditions from the point of view of the products of the mills showed both favorable and unfavorable phases. The raw cotton market gave no signs of declining and a new high—since the Civil War—was reached when "spot" almost touched 29 cents.

The immediate result, as THE FINANCIAL POST has contemplated, has been to renew buying on the part of cautious merchants who a few weeks ago had decided to buy gingerly for spring in the hope that a lower market would be met with later.

A cable from London states that "war requirements of woolen goods are steadily increasing and it is generally believed that the Government will shortly commandeer the whole output of woolens for the next few months." This in itself will cut off imports to Canada to a great extent. A somewhat similar wire from New York announces that the Government in an effort to conserve the wool supply for war requirements, is likely to insist on a license before exports of woolen and worsted clothes is permitted. This would improve the market for the woolen mills, but would, conversely, make it more difficult for them to obtain supplies. All over, the woolen yarn market shows signs of further advances.

	Close Oct. 18	Close Oct. 25	Change
Can. Cot., com...	48½	48½	...
Do., pref.	77	77	...
Dom. Tex., com..	81½	81½	...
Do., pref.	99½	100	+ ½
Mon. Knit., com..	30	30	...
Mon. Cot., pr. ..	99	99	...
Penmans, com. ..	65	68	+3
Do., pref.	81⅞	81⅞	...

DOMINION TEXTILE.

With large orders still in arrears to the trade the Dominion Textile Company can view with complacency any falling off in future orders for months to come. But with the advance in raw cottons continuing with no signs of a reverse movement, the experience of the United States mills is certain to be enacted in Canada and the cotton textile mills will be met with a renewal of orders for Spring, and soon it may be for next fall. Prices on Spring lines are likely to go up in a short time as present quotations are below the level of the raw market. If the jobbers and retailers take this action the Dominion Textile mills with their large proportion of staple goods may find themselves stocked up with orders again, much after the condition of 18 months and a year ago.

The common stock held steady at last week's price of 81½, and the preferred was up ½ to 100. It is remarkable that in the face of extreme fluctuations in so many other stocks Textile preferred has kept within the narrow range of 100-102 during this year, and in 1916 between 105 and 101½.

MONARCH KNITTING.

No sales were recorded this week, as for some weeks past either in common or preferred.

PENMANS.

A sudden flurry this week caught Penman's and drove it up three points over the opening last Saturday, which was 65. On Tuesday the stock changed hands at 68, the highest for many weeks, and a more active demand was shown than for a long time. Even at 65 the range of the stock this year has been very narrow, as the high was only 73¼, and Tuesday's price came within 5¼ points of this. There has been talk for some time of a larger dividend for Penman's. the present being only 4, with a bonus of 1 per cent., while the earnings the past two years have exceeded 20 per cent. on the stock. It may be that the present year will not see a repetition of last year's favorable statement in view of the falling off in domestic orders compared with a year ago, but as the mills have had such heavy orders on hand to complete from last year they have been kept well engaged, although not so much as to prevent them accepting orders recently from the United States Government for underwear. Penman's as a knit goods mill is in an exceptionally strong position to take advantage of market prices and changing conditions towards the various items in its output. It has many "eggs" in many baskets, with its hosiery, underwear, sweater coats and other lines. Moreover in certain lines it has built up a valuable reputation for its branded goods that has proved and will continue to prove a worthy asset.

MILLING

Action of Food Controller May Seriously Affect Some Branches of the Industry.

By J. L. RUTLEDGE,
Editor Canadian Grocer.

The most astonishing thing that burst on the milling industry during the week was the Food Controller's unexpected Order-in-Council banning the sale of cereals in original packages of less than 20 pounds. This unpremeditated action will upset the business system of every milling industry doing a local trade, and in some instances if maintained will tend to force the manufacturer out of business entirely.

In any event the change in the system and the attendant disorganization, the setting idle of much machinery, and the loss of the influence of extensive advertising campaigns, that were built up on the system of merchandizing being put under the ban, will unquestionably result unfavorably to the manufacturing interests. Just how serious this result will be is dependent entirely upon what Mr. Hanna means by his system of licensing, and as this is a matter of individual cases only experience can decide. Unquestionably the uncertainty will have a comparatively serious effect for the moment at least. Wholesalers and retailers with a limited time for disposal of old stocks, will unquestionably be wary of indulging in further buying. The net result of this action of the Food Controller, would naturally be to control buying to a marked extent for a month or more. This with the mills just getting back into the full swing of business would be serious enough in itself, even though the business does represent only a comparatively small part of the activities of these concerns.

Business for the past week is reported to have been most satisfactory. There was a steady demand that has kept all the mills working practically up to capacity. The demand for oat products was also strong. Just how soon the Food Controller's order may change this situation it is impossible to foretell.

OGILVIE MILLING.

The Order-in-Council abolishing all small packages of cereals came as a surprise to the Ogilvie Flour Mills Company as to other mills. The Ogilvie mills do a large business in rolled oats and other breakfast foods as well as flour in lots less than bags, and expect to discontinue putting these up unless there is some arrangement for a license to be issued. Speaking to THE FINANCIAL POST the secretary, G. A. Morris, stated the company used the smaller package chiefly for the convenience of the trade, and that personally they would as soon be without the necessity for using it. The flour packages they employ are 7 and 14 lbs., while rolled oats are put up in 8-lb. bags. The smaller package naturally was more expensive than the larger. On the other hand there was an objection to the larger quantity, that it becomes musty when exposed for a long time, as was likely in a private house. This was true particularly in the summer time. It is not likely that the company will protest to the Government against the new regulation.

Business continues to be brisk, though there is some uncertainty as to what the orders for export will be under the new arrangement which places control under the one body, the Wheat Export Company.

There was an unusual quiet in the stocks of the company during the week, not a sale being recorded in either common or preferred, the first blank week for some time past.

MAPLE LEAF.

While the Maple Leaf Milling Company depends for its business on the export market the stocks of the company have evidently felt the effect of unsettled local conditions. It has been the quietest week that this stock has known for some time. The few transactions showed a very slight advance over the trading of the previous week. There were no sales in the preferred.

LAKE OF THE WOODS.

Not much concern is felt by the Lake of the Woods Milling Company over the government cereal package order. An official told THE FINANCIAL POST that they thought they would be able to get rid of their small flour lots within the specified time, November 1. These mills put up flour in 6, 7, 8 and 14-lb. lots, and have a large sale therefor. It is not expected that the actual sales will fall off much when these are raised to 20 lbs. and in any case, as with the most of the flour mills, these amount to only a small proportion of the total sales.

There were no transactions during the week in either the common or the preferred.

WESTERN CANADA FLOUR CO.

Mr. McFarlane, the Toronto manager of the Western Canada Flour Mills Company, when spoken to regarding the probable effect of the embargo on the business of the company, stated that its effect depended entirely on the ability of the manufacturers to unload the stocks they hold at the present time. There is a good deal of uncertainty in the situation, and as a result many cancellations of existing orders are being received at the mills. This with the surplus of packed package goods normally on hand represented a very considerable item, and if the mills were not given time to dispose of this stock, it would work a great hardship to them. Were the food controller merely to forbid the packing of any further stocks in the package form, if he saw fit, but permit that already packed to work itself off in the natural course of business, then the result would be automatically gained without any great hardship to any branch of the trade. Were they permitted thus to dispose of existing stocks, Mr. McFarlane stated that he believed his company would be quite willing to meet the Food Controller's wishes.

MINING STOCKS

Week-end Improvement in These Shares Was Not Sustained During Present Week.

On Friday, Saturday and Monday there were evidences of a better tone in the market and prices generally moved up. Trading was brisker and the daily average of sales passed again over the 100,000 share mark. On Tuesday, however, dullness returned and prices began to react, the decline continuing practically unchecked up to Thursday night. On Wednesday, the Standard Exchange experienced one of the slackest days in its history, with sales down to 29,531 shares.

The daily business, together with the New York quotation on bar silver, was as follows:—

	Trans. in shares	Bar Silver per oz.
Friday, October 19..	115,238	83⅞c
Saturday " 20..	101,700	83⅝c
Monday, " 22..	131,642	83c
Tuesday " 23..	67,537	82½c
Wednesday " 24..	29,531	82½c
Thursday " 25..	42,725	82½c

In the following table, price changes for the week will be noted. While the majority of the stocks quoted showed gains between October 18 and 25, this does not indicate the general movement during the week, which was first up and then down.

	Close Oct. 18	Close Oct. 25	Change
Adanac	.14½	.14½	....
Beaver	.33½	.34	+ .00½
Dome	8.20	8.05	— .15
Dome Ex. ...	.10¾	.11¾	+ .01
Hargraves ..	.08	.09	+ .01
Hollinger ...	4.85	4.95	+ .10
McIntyre ...	1.34	1.38	+ .04
Nipissing ...	7.90	8.40	+ .50
Vipond	.22	.23	+ .01
Newray	.50	.45	— .05
Timiskaming.	.28	.28	..
West Dome..	.15	.17	+ .02

Ore shipments last week from the Cobalt camp dropped to 598,709 pounds. Four companies contributed to the output, as follows:—

Shipper	Cars	Pounds
Mining Corporation	6	372,144
Dominion Reduction ...	1	87,400
Nipissing	1	75,080
Temiskaming	1	64,085
Total	9	598,709

For the month of September, shipments reached the record total of 4,737,811 pounds, Nipissing leading with 1,830,900 pounds. The record, by months, for the year to date was:

	Pounds
January	1,965,011
February	1,513,209
March	2,300,692
April	1,913,741
May	2,637,394
June	3,333,265
July	3,621,305
August	3,595,201
September	4,737,511
Nine months	35,617,639

As the result of circular issued by J. J. Warren, managing director of the Consolidated Mining and Smelting Company, to the effect that the Trail smelter would accept no more customs ore and concentrates, which carry more than four percent. zinc content, a large amount of ores formerly treated at this smelter will probably be sent to American smelters. The effect of the new order is having a most depressing effect on the Vancouver Stock Exchange, practically every mining stock quoted having taken a slump when the news contained in the circular became known to the traders. In the opinion of Vancouver mining men, the industry will be very seriously affected. While the situation could be helped by the enlarging of the ore dumps and the storing of ore in this way, there are not many companies which could afford to do this, most of them using the money from their concentrates for further development work. The action of the Consolidated is said to have been taken owing to the Imperial Munitions Board having notified the management that owing to a reduction in the shrapnel programme, it is unable to take more than 1,000 tons of lead per month. The board, too, would give no assurance as to its needs after the first of the year. As the Consolidated had stored up about 15.000 tons of lead ore in addition to 2.000 tons of lead matte, the management felt that in justice to their shareholders the action taken was necessary.

Hon. Wm. Sloan, the B.C. Minister of Mines, was notified this week that the federal government would take immediate action to relieve the situation.

CONIAGAS.

A circular was issued to shareholders this week announcing a discontinuance of dividends for the present. This action has been taken as a precaution. While it is admitted that the company has had a prosperous year, yet conditions, have arisen which make it desirable to conserve resources. These conditions are stated as follows:—

"The operations of the Coniagas Reduction Co., Ltd., (the stock of which is owned by The Coniagas Mines, Ltd.) have been materially restricted owing to the difficulty at times in obtaining supplies, due to war conditions. At the same time, the Reduction Company has found it advantageous, for the future operations of the smelter, to purchase more ore than usual from other mines, the reduction of which has largely appropriated the smelter's capacity, and has thus resulted in the accumulation at the smelter of a large stock, which accumulation (much of it at low prices) now amounts to materially over 2,000,000 ounces of silver in process of reduction and refining. It is expected to realize on much of this silver at profitable prices."

Coniagas shares have been declining all week, selling down from 3.75 to 3.50.

"At Porcupine, your directors, after careful investigation of three claims, known as the 'Ankerite,' lying about two miles south of the Dome Mines, have acquired these claims from the Ankerite Mining Co. at a price of $150,000, of which $10,000 has been paid; and your directors have also purchased two claims lying to the west of the Ankerite, known as the Maidens-McDonald claims, at a price of $22,100, and have spent on the prospecting and developing of these five claims a sum of about $70,000.

"Your directors have also let a contract for sinking a shaft on the Ankerite property, and this, together with other necessary development work on these properties, will probably amount to $150,000 during the coming year. This work is under the supervision of Mr. Clifford E. C. Smith, member of council, Canadian Mining Institute, who has had charge of the prospecting and development, and on whose recommendation the properties have been purchased.

"There is also falling due two years' war tax of undetermined amount."

CONSOLIDATED SMELTERS.

For the second week of October ore receipts at the Trail Smelter continued in substantial volume, well ahead of the corresponding week of 1916. The figures for 1917 were 10,044 tons and for 1916, 7,271 tons. The record for the first two weeks of the month was as follows:

Week ending—	1917	1916		Diff.
October 7.....	12,594	9,753	+	2,841
October 14....	10,044	7,271	+	2,773
Total	22,638	17,024	+	5,614

HOLLINGER.

It is expected likely that the directors of Hollinger will declare a bonus towards the end of the year and a little later on resume regular dividend payments. Developments are said to be surpassing all records and production is high. The cash surplus on hand is increasing steadily.

The course of Hollinger shares this week was upward and downward. From 4.85 they advanced to 5.10 and then declined to 4.95.

LA ROSE.

Criticism of the policy pursued by the directors of La Rose Consolidated in allowing the company's surplus to decline, without making any effort to extend operations by acquiring new properties, is contained in a letter to the press written by a Quebec shareholder. He says: "Looking over the statement that accompanied the 37th dividend of the La Rose Consolidated Mines Company, I find that the surplus has dwindled from $1.831.398.02 on the 1st July, 1913, to $545.663.06 on the 30th Sept., 1917, out of which must be deducted the quarterly dividend of $75,000, leaving a net balance of $470.683.06, and within the last three months a loss of almost $100,000 appears on the statement. In the face of this, I think the shareholders should bestir themselves and take some means of protecting their interest in this unfortunate affair—I say unfortunate having in mind my own experience and that of others who I know paid from $6 to $8 per share for their stock. We were informed by our present board of directors when the condition of the mine was discovered that they would create a surplus with which they would acquire new properties and in that way protect the shareholders. This they have never done, and now the people who have put their money in the property stand to lose every dollar invested."

McINTYRE.

Reports from Porcupine state that a lower grade of ore is being put through the McIntyre mill at present but, as the tonnage being treated is larger, gross production is being maintained at a satisfactory level. Net profits are sufficient to meet dividend requirements. After a few months, the lower grade ore will be cleaned up and profits will increase.

McIntyre sold up on Monday to 1.40 but was somewhat weaker, later in the week, selling at 1.38 on Thursday.

MINING CORPORATION.

The statement of the Mining Corporation of Canada covering the period from January 1 to September 9 shows that in the year to date cash in banks increased $491.750, standing on September 9 at $1.338,117. Other moneys, ore and accounts receivable increased by $320,341; investments in British, Canadian and French war loans were increased by $83.680; call and demand loans on bonds and stocks grew to the extent of $42,429; the balance to the credit of profit and loss account increased by $1,072,186.

The following statement, furnished to the shareholders of the company, shows the progress made by the company during the year 1917:—

Liquid Assets	Dec. 31.1916	Sept. 9, 1917
Cash in banks..	$846,367.70	$1,338,117.78
Ore in transit, on hand, moneys due by smelters, accounts receivable	894,512.10	1,214,853.27
British, Canadian and French Government war loans	943,943.41	1,037,623.26
Call and demand loans on bonds and stocks ...	60,637.89	103,065.52
Profit and loss account	2,447,582.65	3,519,768.15

In addition to the surplus as shown by profit and loss account, two dividends and bonuses totalling $933,778 have been paid since January 1.

NEWRAY.

It was stated on Thursday that control of Newray had been acquired by the Crown Reserve Company, which will proceed to develop the property under the direction of Mine Manager Summerhayes of the Porcupine Crown Mine. The market reflected the news by advancing the price of Newray from 43 to 46.

NIPISSING.

September production amounted to $349.258, approximately $56.000 above the record made in August. In his report to president and directors, Hugh Park, manager, says: "During the month of September the company mined ore of an estimated value of $349,258, and shipped products from Nipissing and custom ores of an estimated net value of $846.948.

Nipissing has been one of the strongest of the silver stocks. Its shares sold on Tuesday at 8.50, comparing with a low of 7.70 the previous week.

TIMISKAMING.

The management of the Timiskaming are reported to be considering the advisability of installing an oil flotation plant. Tailings on the dumps are estimated to contain approximately 150.000 tons of ore and, treated by the flotation process, should yield a substantial profit.

Timiskaming shares have been holding pretty steadily all week between 28 and 29.

WEST DOME.

The report of West Dome Consolidated for the year ended May 31 last has been published. A total of 11,450 tons were mined and hoisted, of which 4,100 tons were placed on the stock pile as ore for milling and 7,350 tons on the waste dump. Underground development consisted of 14,196 feet of diamond drilling, 300 feet of shaft sinking, 2,612 feet of drifting, cross-cutting and rising. Total ore reserves are estimated at $2,019,984.

W. J. Trethewey, the manager, says that sufficient ore has been blocked out to warrant building a 150-ton mill. However, he does not recommend this, owing to excessive costs. It might be better, he thinks, failing completion of negotiations for milling the ore, to erect a small 5-stamp experimental mill now and the 150-ton mill later on.

West Dome shares after advancing to 19¼ last Saturday, dropped back to 17 later in the week.

PULP AND PAPER

Break in Laurentide the One Feature of an Otherwise Quiet and Uneventful Week.

By W. A. CRAICK.

Eliminating Tuesday's five-point break in Laurentide, the week just closed has been quite featureless. Trading in other stocks has been light and price changes almost negligible. There have been no influences at work to affect paper stocks adversely other than the lack of investment buying, which is allowing every selling order to depress prices still further. For the week price changes have been as follows:

	Close Oct. 18	Close Oct. 25	Change
Laurentide	160	155	—5
Riordon	119¾	119½	— ¼
Spanish, com. ...	13⅛	13⅝	+ ½
Wayagamack ...	50¼	50¼	...
Brompton	41¼	41	— ¼
N.A. Pulp	2¾	2¾	...

The paper and pulp market continues strangely dull in spite of the fact that every basic condition points towards firmness and higher prices. Difficulties of transportation are now looming up as the most serious feature of the situation. With the United States in the war and moving large numbers of troops and huge quantities of supplies, in addition to Canada's own increasing activities in carrying wheat and munitions to the seaboard, there is little doubt that the pulp and paper market will soon reflect the effects of difficult transportation.

As an evidence of the serious situation developing owing to the shortage of cars, it is reported from New Brunswick that immense quantities of pulp wood are piled all along the railways waiting shipment. On the Newcastle line there are 12,000 cords that cannot be moved for lack of cars. Between Fredericton and Derby Junction there are 4,000 cords of green wood and no cars in sight. It being impossible to get transportation facilities, several of the Maine pulp manufacturers have notified their buyers in New Brunswick that they will not be in the market for green wood this year.

HOWARD SMITH PAPER MILLS.

As with the most of the paper mills that are looking forward to export trade the Howard Smith Paper Mills are hopeful of big developments under the new arrangement by which they will operate their export trade through the Canadian Export Paper Company. They have had a considerable export business as it is, and the new connection by which prospects in South Africa, as well as England and Australia and New Zealand and other countries will be canvassed vigorously should increase the output. The Howard Smith Paper Mills have been working for some time on improving their output and have concentrated on bond papers, giving up the manufacture of newsprint that had been going on in the Crabtree plant. Present orders continue good and the firm, when the newly transformed mill is started, will be in fine shape to handle all the export trade that may offer.

LAURENTIDE.

The heavy liquidation of Laurentide Co.'s stock this week, and the decline of 5¼ points on Tuesday, from 160 to 154¾, brought many inquiries as to the condition of affairs at the mills. The 160, by the way, was the minimum fixed in 1915 below which trading could not go. An official statement was made to THE FINANCIAL POST crediting the slump to the presence of "a few weak accounts still left over who could not margin any further. The price is high for a 10 per cent. stock but it has been the belief—a perfectly proper one—in the existence of splendid assets, such as the Laurentide Power Co., that ran up the price and sustained it. From the manufacturing standpoint it is stronger than last year. While business eased off a little during the summer, this was less the case than last year, and stocks were not piled up as usual. The mills are working to capacity."

RIORDON.

At a meeting of the directors on Wednesday the regular quarterly dividend of 1½ per cent. with a bonus of 1 per cent. was declared for the final quarter, payable Nov. 15, to shareholders of record Nov. 8. Last year four per cent. was paid with a bonus of 1 per cent. in the final quarter. With one mill changed over from unbleached sulphite to bleached, a much more profitable product, and larger exports of pulp than ever, the Riordon Pulp & Paper Co. should set a new high record, not only for earnings, but for net profits this year. In some quarters an increased dividend is looked for.

BROMPTON.

The week's trading in Brompton has been very slim, only four transactions being recorded. While the price was not depressed to the extent of the previous week, when a low point of 38 was touched, yet there was weakness evident and from 41¼, quotations dropped to 41.

SPANISH RIVER.

The common stock has been lightly traded in at the prevailing price of 13½. The preferred came out last Friday, for the first time since early in September, at 49, a drop of one point.

TRANSPORTATION

Arguments in Favor of Higher Freight Rates—A Break in C. P. R.

The depressing effect of the rising cost of railway operation as compared with income, and the narrowing margin of net profit, is being noted on the stock markets. Rails have been a weak feature of Wall Street during the week, with further losses recorded, and the trading has been featured by a bad break in Canadian Pacific, which serves to emphatically call the attention of investors in Canadian transportation stocks to the situation so forcibly outlined in last issue by A. W. Smithers, chairman of the Grand Trunk Railway. In Canada, while gross receipts are running a little better than a year ago, the net showing is being very seriously impaired. In the United States the net showing is still being maintained about even with last year, despite the great advance in wages and material costs, but the explanation is that maintenance charges have been arbitrarily repressed. Railroad officers state that the railroad plant as a whole is not being kept up, entirely aside from the question of expansion to meet the increasing traffic. Statistics bear out this contention. Transportation expenses, which are not susceptible to arbitrary reduction or expansion as a matter of managerial policy, show a much higher ratio of increase than the other large expense accounts. It is evident that maintenance expenses have not expanded in proportion to the added cost of making good the wear and tear on the existing facilities under the present heavy volume of traffic.

What may be regarded as a break in the clouds is the announcement from Washington that the rehearing of the application of the railways for a 15 per cent. increase will be commenced on November 15th. It is to be hoped that the outcome will be more favorable to the roads than was that of the previous inquiry. Should a decision be reached for an increase in the States it is not likely that similar action could be longer deferred in Canada.

The Dominion Railway Commission evidently is still considering the matter, and hearings are being held in Western Canada. The Western farmers are raising the only objections to the increase, and their attitude cannot be regarded as otherwise than selfish when it is considered that the railroads are the chief factor in getting the wheat, for which they were in the past content to take $1.00, to a market where they are getting $2.21, not to mention the fact that the actual cost of that service is much greater. If the manufacturers, who pay the big freight bill, are satisfied that it would be good business to pay higher rates in order to maintain efficient service, the farmer should not be considered to have a very strong case because he is not sufficiently far-sighted to see that transportation facilities are necessary for his own welfare.

A feature of the week has been the furtherance of the arrangements for national co-ordination of railway facilities under the direction of a committee formed of the heads of the different systems. The details of this arrangement are dealt with elsewhere in this issue.

All three of the larger roads showed increases in traffic earnings for the week ending October 21, an average of 11.7 per cent. The total earnings amounted to $5,555,604, as compared with $6,971,744 last year. The aggregate increase is the largest since the first week in July. The following are the figures for the past week:

	1917	Increase	%
C.P.R.	$3,429,000	$497,000	17.0
G.T.R.	1,254,304	54,260	4.5
C.N.R.	872,604	32,600	.4
	$5,555,604	$583,860	11.7

Of the situation in relation to American roads the Wells Fargo Nevada National Bank says:

> Interest converges just now upon the position of the railroads, which are operated as one system during the war period by the Railroad War Board. Returns lately made by fifty-two roads for the month of August show that notwithstanding an increase of $15,918,300 or 3 per cent. over August, 1916, net revenues, owing to the heavily expanded operating expenses in that month, were $72,305 less this year than last. This is a most suggestive showing and means that the railroads are confronted with conditions which make it necessary for them to either reduce expenses, or to secure increased freight rates. The one thing certain is that the railroads cannot be operated at a loss for any length of time. For the eight months ended with August, the fifty-two roads referred to gained $115,112,000 in gross revenue, but owing to heavily increased operating expenses, there was a decline (as compared with a year ago) of $359,858 in net revenue. Even such a well managed road as the Pennsylvania, whose gross earnings showed an increase of $4,650,000 during August, could scarcely save anything out of

Continued on page 3.

THE CANADIAN BANK OF COMMERCE

PAID-UP CAPITAL - $15,000,000
REST - - $13,500,000

Head Office, TORONTO

SIR EDMUND WALKER, C.V.O., LL.D., D.C.L., President
SIR JOHN AIRD - - - General Manager
H. V. F. JONES - - Ass't General Manager

The Bank has branches in every part of the Dominion of Canada, as well as in St. John's, Newfoundland; New York, Seattle, San Francisco, Portland, Ore.; Mexico City, and London, England. By reason of its many branches in Canada, the Bank is able to place at the disposal of correspondents abroad excellent facilities for the transaction of every kind of banking business.

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A GENERAL BANKING BUSINESS TRANSACTED

The Dominion Bank

HEAD OFFICE - TORONTO

Sir Edmund B. Osler, M.P., President
W. D. Matthews, Vice-President
C. A. BOGERT, General Manager

The London, England, Branch of The Dominion Bank at 73 Cornhill, E.C., conducts a General Banking and Foreign Exchange Business and has ample facilities for handling collections and remittances from Canada.

The Weyburn Security Bank

Chartered by Act of the Dominion Parliament.

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A General Banking and Foreign Exchange Business Transacted.

THE HOME BANK OF CANADA

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Branches and Connections Throughout Canada

UNION BANK OF CANADA

Dividend No. 123

Notice is hereby given that a Dividend at the rate of 8% per annum, together with a bonus of 1%, upon the Paid-up Capital Stock of the Union Bank of Canada, has been declared for the current quarter, and that the same will be payable at its Banking House in the City of Winnipeg, and also at its branches, on and after Saturday, the 1st day of December, 1917, to shareholders of record at the close of business on the 15th day of November next.

The Transfer Books will be closed from the 16th to the 30th day of November, 1917, both days inclusive.

By order of the Board,
H. B. SHAW,
General Manager.

Winnipeg, October 18th, 1917.

NEWS OF SECURITIES

Continued from page 3

that gain, because of the heavily increased operating charges.

CANADIAN PACIFIC.

Gross earnings of the Canadian Pacific Railway Company for the third week in October amounted to $3,429,000 against $2,932,000 for the corresponding period in 1916, an increase of $497,000 or 16.9 per cent., and compared with the figures for the previous week show an increase of $96,000. Comparative figures follow:

	1917	1916	Inc.	%
Oct. 7...	$2,842,000	$2,966,000	*$124,000	4.2
Oct. 14...	3,333,000	3,034,000	299,000	9.8
Oct. 21....	3,429,000	2,932,000	497,000	16.9

*Decrease.

When Canadian Pacific this week sold down to 145 on the Canadian exchanges and 144 on the New York market, it touched a low level for the movement and, with the exception of a brief dip in 1915, the lowest point since 1905. The decline is evidently in sympathy with the movement of the American railway stocks and there is a specific explanation in the theory that German holdings are being liquidated in view of the Government's call for listings of foreign-owned stock on November 6th.

GRAND TRUNK.

The Grand Trunk Railway system reports gross earnings for the week ending October 21, amounting to $1,254,304, which is an increase of $54,260 or 4.5 per cent. over the figures for the corresponding period in 1916. As compared with the figures for the previous week there was a decrease of $58,201. Following are comparative figures:

	1917	1916	Inc.	%
Oct. 7...	$1,342,050	$1,319,090	$22,960	1.7
Oct. 14...	1,312,505	1,300.095	12,410	.9
Oct. 21...	1,254,304	1,200,044	54,260	4.5

Gross earnings of the Grand Trunk Pacific Railway Company for the last ten-day period in September amounted to £43,107 compared with £29,011 for the corresponding period in 1916, an increase of £14,096, while from July 1, to the end of September the earnings were £311,165, an increase of £94,203.

At the annual meeting of the Montreal and Southern Counties Railway, with H. G. Kelley, president of the Grand Trunk Railway presiding, the following officers were appointed: president, H. G. Kelley; vice-president and treasurer, Frank Scott; vice-president, J. E. Dalrymple; general counsel, W. H. Biggar; secretary, James A. Yates; comptroller, W. H. Yardley; general manager, W. B. Powell. The directors included the above with the exception of the general manager.

CANADIAN NORTHERN.

Gross earnings of the Canadian Northern Railway system for the third week in October totalled $872,300 which compares with $839,700 for the corresponding period in 1916, an increase of $32,000 or 3.8 per cent., but compared with the figures for the previous week show a falling off of $88,300. Comparative figures follow:

	1917	1916	Inc.	%
Oct. 7.....	$758,500	$857,400	*$98,900	11.6
Oct. 14.....	960,600	847,700	112,900	13.3
Oct. 21.....	872,300	839,700	32,600	3.8

*Decrease.

In this issue THE FINANCIAL POST prints a special despatch from its correspondent at Ottawa, stating that it is indicated that the agreement between the company and the Government has been completed. There is no definite information as to the maximum amount which has been stipulated, but report places the figures at $10,000,000. On this basis the value per share is $16.66. With such a maximum established there can be no complaint from the public that the shareholders will be getting much more than they are entitled to even should the commission find in favor of the outside figure. On this basis there are undoubtedly advantages offered as compared with the proposal to force the company into a receivership. The consequences of such action would have been serious and it has been pointed out by the Edmonton *Journal* that the provinces would have been immediately placed in the position of having to make good their guarantees.

CANADA STEAMSHIPS.

There has been considerable range in the trading in Canada Steamships common during the week and, on the whole, there is an improvement noted. As high as 42 was noted from a low of 38¾, while last week the best was 40. Late prices were 40½ to 41. There was a very fair volume of business considering the general condition of the market. The preferred sold 76¼ to 77½, also showing some improvement over the previous week.

ELECTRIC RAILWAYS

Practically No Change in the Market Situation During the Week.

It cannot be said that there has been any marked change in the market situation for electric railway and other public utility stocks during the week. In some sections the tendency to lower levels has continued, as it has for some weeks, under the general influences of the investment situation and the peculiar conditions which have acted to depress public utilities securities; in other departments there has been some evidence that the downward trend may have reached the bottom. However, all in all, it is generally conceded that the future of public utility stocks is rather uncertain although it would be difficult to judge to the extent to which this uncertainty may have already been discounted at the present price levels. Rising costs of materials and labor are evidently having their effects in many directions as indicated by all official statements made by the companies. The report from Kingston that female labor will be used in that city in the operation of the street cars has more than passing interest as indicating a development in the operation of tramways systems which may be quite generally adopted if the drain upon the man power of the country continues. It is known that the closing out of some of the munitions contracts has released many girls and women who have tasted the independence of making their living at "Men's work," and they are likely to seek opportunities to continue to do so, especially as the shortage of men becomes more and more acute.

The Hydro-electric situation in Ontario continues to attract much attention from the shareholders of utility stocks, and the developments of the week are referred to in other portions of this issue. The situation now appears that Sir Adam Beck has put the Commission in the position of having sold more power than it can deliver with the result that the municipalities are being called upon to curtail their requirements in order that the manufacturing industries may not suffer.

DULUTH-SUPERIOR.

The Duluth-Superior Traction Company's earning statement for September shows gross revenue amounting to $137,104, an increase of $17,722 over the figures for the same month in 1916. Operating expenses were higher by $14,709, while net earnings showed a gain of $3,013. For the nine months ending with September the gross amounted to $1,179,971, an increase over the corresponding period last year of $156,527, and net earnings amounted to $424,079, an increase of $58,157. For the month the figures are as follows:

	1917	1916	Change
Gross	$ 137,104	$ 119,382	+ $ 17,722
Expenses	91,880	77,171	+ 14,709
Net	45,223	42,210	+ 3,013
9 months—			
Gross	$1,179,971	$1,023,444	+ $156,527
Expenses	755,892	657,522	+ 98,370
Net	424,079	365,922	+ 58,157

For the week ending October 14th the gross earnings were $30,868 compared with $26,560 for the corresponding period in 1916, an increase of $4,308 or 16.2 per cent. while for the first two weeks of the month the earnings amounted to $61,236, an increase of $7,354 or 13.6 per cent.

Duluth common eased off a point from last week. The only transaction recorded this week sold at 42.

B. C. ELECTRIC.

B.C. Electric's statement for August shows an increase in gross earnings as compared with August a year ago of $30,687, and compared with the figures for July shows an increase of $16,047. "But our net revenue for August," said General Manager Kidd, "was only $58,527, compared with $74,134 for August, 1916. The increases in our wage bill amount to nearly $300,000 a year, but increases in the cost of materials have sent our expense bills up enormously. When it is considered that we required $80,000 a month to pay debenture interest, it will be seen with a revenue of only $58,527 a month there is nothing before the company but bankruptcy unless relief is awarded."

MONTREAL TRAMWAYS.

The first half of a shipment of one hundred new cars has been received by the Montreal Tramways Company, and as soon as they are fitted out will be placed on the north lines to relieve the congestion in the downtown section. These will average $12,500 each, so that the expenditure on capital account as represented in this one item represents $1,250,000. It is expected that the addition of the new cars will enable the company to handle the traffic more expeditiously, which will in turn contribute to the increase of the revenue. As soon as the report of the Tramways Commission is received and passes into force the company plans to make a number of extensions, according to a statement of the general manager, Lt.-Col. J. E. Hutcheson, to THE FINANCIAL POST.

"This new car is a double one, with both cars equipped with power but with the master control in front. They are the most up-to-date car we could find," said Col. Hutcheson. These cars are equipped with an automatic raising stepping board, and where used have resulted in a minimum number of accidents. "We will make a lot of extensions when the commission's report is received, but in the meantime we are relieving the congestion in the centre of the city."

The general manager stated that the traffic of the company continued to increase over last year's but that the cost of operation more than kept pace with the gross earnings.

TWIN CITY.

Twin City stock is generally regarded as one of the better class investment securities whose price reflects the influence of the abnormal conditions prevailing. From enquiries which THE FINANCIAL POST has made, the present price does not indicate intrinsic values. There appears to be nothing in the earnings of the company or in the operating expenses to justify the recent decline in the quotation. The price here, in common with a number of other stocks, has evidently receded more on account of the uncertainty of general business conditions than from any investment weakness in the stock itself. It is being pointed out that now that congress has passed the war revenue tax measure and fixed prices, general business should adjust itself to the existing conditions and that investment securities should not go much, if any, lower, although, of course, it is very difficult to forecast the immediate future. From the fact that the government has now undertaken the regulation of coal, steel, copper and other prices, it is argued that public utility operations should find some relief from the present abnormally high operating expenses. So far as the franchise relations of Twin City with the city of Minneapolis are concerned, reports are that progress is being made slowly but satisfactorily.

Twin City has shown considerable improvement this week, the top figure moving up to 79¼ as compared with 77½ last week, while the lowest has been 78. This improvement would appear to be a justification of the statements which have recently been made regarding the affairs of this company.

WINNIPEG ELECTRIC.

The Citizens' Research League of Winnipeg has been making an investigation of the conditions of transportation in that city, and especially the service relations of the Winnipeg Electric Company and the jitneys. The following summary of the situation will be of interest to shareholders and to all interested in the problem involved:

From the point of view of public service, transportation as it has been operated in Winnipeg has had several unsatisfactory features. Under whatever method a public utility is administered, whether by the municipality or by a private corporation, to whom an exclusive franchise has been granted, the citizen has the right, in the case of transportation, to expect a service which shall connect every part of the city with every other part as rapidly, as cheaply, and with as little risk as possible, and the main aim of which shall be not only to cater for the needs of the city that is, but to assist in the development of the city that will be.

It has been a criticism of the Street Railway Company that in the past it has shown less consideration for the interests of the traveling public than might have been expected, considering its resources. It would seem in the best interests of the public that the Street Railway should operate more cars during rush hours and give a faster service with all cars. This might be accomplished by making fewer stops. It is unfortunate for a clear comprehension of the workings of the Street Railway that while the Company is engaged in three services (namely, transportation, sale of gas and the sale of electric light and power), its published accounts have not, in the past, distinguished the earnings from these sources.

On the other hand, complaint is made that the jitneys do not give a service over the whole or the greater part of the city, but mostly confine themselves to crowded thoroughfares already served by the Street Railway Company. In addition, they are irregular, few and far between in winter or stormy weather, and in summer ply mainly at the rush hours, while the street cars are obliged to give a seven-day-a-week-all-the-year-round service. The Jitney Owners' and Drivers' Association claims to have endeavored in certain streets to keep up a regular service, but the Association itself suffers from the competition of drivers or owners to whom the jitney is not the sole means of support. Lastly, the jitney, while it cannot as circumstances are at present, provide more than a bare living for many drivers, can skim the cream off the traffic in the crowded districts and thus seriously depreciate the earnings of the Street Railway Company. It follows, therefore, that if the districts where there is most traffic do not yield a good surplus, the parts where there is less traffic cannot be served at all.

The street cars illustrate the circumstances common to all public utilities—that the profit derived from the crowded districts carries the loss on the less productive lines in the sparsely settled portions of the community. The short haul pays the loss of the long haul. The remunerative down-town business enables the Company to carry its investment and operate the outlying lines, which otherwise could not have been built. This principle lies at the root of the agreement between the municipality and the Street Railway Company. It is the principle on which railways, telephones, the post office, and practically all public utilities are operated.

The Street Railway Company paid no dividend in 1915 and 1916, and its stock, which in 1913 sold at $268 per $100 share, could recently command no more than $36. While jitney competition is by no means the only cause of this state of affairs, if the existing situation continues, the Company cannot be expected to develop and extend its system, nor even maintain its present level of efficiency. A decrease in the Company's earnings means a direct financial loss to the City itself. Moreover, unless the present unsatisfactory financial position of the Company improves, the City will be unable to demand through the Commissioner of Public Utilities that the Company shall better and extend its service.

PORTO RICO.

The Porto Rico Railways Company reports gross earnings for September amounting to $73,920 compared with $64,879 for the same month in 1916, an increase of $9,041 or 13.93 per cent. while net earnings for the month amounted to $31,930, an increase of $2,212 or 7.44 per cent. For the nine months of the current year gross earnings were $671,960, an increase over the corresponding nine months in 1916 of $44,055. Net earnings for the nine months showed a falling off of $11,224. Following are comparative figures:

September—	1916	1917	Inc.	%
Gross	64,879	73,920	9,041	13.93
Net	29,717	31,930	2,212	7.44
Nine Months—				
Gross	627,904	671,960	44,055	7.01
Net	311,163	299,939	11,224	3.60

BARCELONA TRACTION.

The second annual report of the Barcelona Traction, Light & Power Company is reviewed at length in this issue. It shows that the net revenue of $1,875,315 showed an increase of over $500,000. Of the total $1,543,415 was surplus after the payment of bond interest. Generally speaking the report of President E. R. Peacock indicates that the year was a satisfactory one under the conditions existing. There was a marked development in the demand for power but there were difficulties to be faced in construction owing to the necessity of importing materials while the shortage of coal necessitated the cutting down of steam development and the construction of another hydro plant to meet the demand. As for the present and the future the report states that the results for the first six months of the current year indicate a further large increase and that it is anticipated that this rate of increase can be continued throughout the year.

The market during the week has shown little change. The low point of last week at 8¾ has been duplicated and there have been sales as low as 8½. It is evident from these prices that the operating charges of the company are continuing to increase with an attendant reflection upon the net profits.

BRAZILIAN TRACTION.

The further readjustment of the market this week had its effect upon Brazilian common, which touched as low as 36, the low point of the movement and of this year. There is no particular information at the present time regarding the company's affairs and it is assumed that the softness is due to the general attitude of the investing public and to the increasing charges of operation in which the cost of coal and labor are the main factors. Brazilian business conditions are evidently very satisfactory under the influence of war demand and reports indicate that the export trade in meats is responding to the most optimistic anticipations regarding it. The exports of frozen meat last year totalled 43,000 tons as compared with 8,500 tons in the previous year. During the current year the increase has continued and the total for the seven months ending with July was more than for the whole of 1917.

DETROIT UNITED.

Detroit United has showed a slight tendency to ease off this week, selling down as low as 105¾, but showing some improvement in the later trading. The range last week was 107¼ to 106.

ILLINOIS TRACTION.

A single share of Illinois Traction preferred sold this week at 80, indicating an unchanged position for the market, the figure being the same as that at which five shares were traded last week. There was no interest shown in the common.

QUEBEC RAILWAY.

Quebec Railway was slightly lower this week when it touched 14¾, the low for last week being 15. At the same time the best figure was off one point from 16 to 15.

TORONTO RAILWAY.

Toronto Railway failed to show any indication of a recovery of strength this week. In fact, there were indications of a continuation of the movement to lower levels, a low mark of 60 being touched on the liquidation of a comparatively small number of shares. There have been no developments recently to give the shareholders a more definite idea of their position than they have had, and nothing to indicate what may be the course taken with regard to the dividend.

Holders of Toronto Railway shares will no doubt be interested in the situation which is developing with regard to the Hydro-Electric projects of Sir Adam Beck. It is evident that Sir Adam has over-sold his position. In other words he has made contracts with industrial concerns on a scale which he cannot fill without cutting into the service to the municipalities and to this the municipalities are raising objections as indicated by the cry which Mayor Church, of Toronto, has sent to the powers that be at Ottawa for relief. Then Sir Adam is asking that the private development companies be forced to curtail their exports to the American market while at the same time he himself is obligated by the terms of the agreement under which he took over the Ontario Power Company to export more energy to American concerns than any of the private companies.

Further it is being reported that the bonds which have been issued for the purchase of this concern are of doubtful standing in view of the legal complications which have surrounded the whole transaction.

LIGHT AND POWER

SOUTHERN CANADA POWER.

The gross earnings of Southern Canada Power for August were $36,665, an increase of $10,161, while the net earnings were $16,177, an increase of $2,924 over the corresponding period of 1916. This means however that the operating expenses increased from $13,261 to $20,488, or 54 per cent., while the gross earnings were going up 38 per cent. The figures for the rest of the year reflect this relative gain in expenses, for during the 11 months ending August 31 the gross earnings increased from $295,561 to $408,017, or $112,456 which represents 37 per cent., while the operating expenses advanced from $145,534 to $215,500, or 48 per cent. The net gain in earnings for the 11 months was $42,491, being $192,517 as compared with $150,027. However, while percentages of expenses to gross receipts do not look favorable, the "turnover" was increased so as to give a substantial net increase to earnings.

August—	1917	1916	Increase
Gross	$36,664	$26,503	$10,161
Oper. exp.....	20,488	13,251	7,836
Net earn.	$16,176	$13,251	$2,934
11 months—			
Gross	$408,017	$295,561	$113,455
Oper. exp. ..	215,499	146,534	69,965
Net earn. ...	$192,517	$150,036	$43,490

SHAWINIGAN.

Shawinigan touched as low as 108¾ this week, being the low point of the movement and for the year. The stock sold at 130 when the year opened. The high for the current week was 110, which compared with a high last week of 113¾.

OTHER STOCKS

Miscellaneous List Develops Few Exceptions from General Trend of the Market.

In the miscellaneous stocks it cannot be said that there have been many indications that the general trend of the market and of the whole situation for some weeks has been materially changed. For the most part selling pressure is still likely to reveal a soft spot while on the other hand there are more stocks in sight where there is very little tendency on the part of the holders to sell. In this narrowness brokers are beginning to see some indications that the bottom of the movement may be at hand or at least in sight. The volume of trading is small and the performance of the market continues to be a desultory affair with an occasional bright spot to indicate that some of the stocks are on a foundation which is not to be jarred by the general hesitancy of the investing public.

ATLANTIC SUGAR.

Unlike the majority of sugar refineries, this company is in fair position regarding supply of sugar. Although their salesmen have been withdrawn the refinery is still able to supply customers, and, with orders cut down to what is absolutely necessary—and some allowance of raws from the International Commission on Sugar, is likely to get on fairly well to the end of the year. It is understood that at the present prices no refinery is making a profit, but the action of the U. S. authorities in fixing the price of refined there on Tuesday at $8.60, an advance of 35 cents on the prevailing price, is likely to cause an advance in proportion in Canada. Under existing conditions, however, the export business for this as other refineries may disappear entirely for months to come. Every effort is being made in England to decrease the consumption of sugar and the refineries there are being supplied with raws by the Commission.

AMES-HOLDEN-McCREADY.

The sales of this organization are showing consistent increases over the corresponding period of last year, which is all the more significant of the hold that is being built up among the Canadian trade, when business generally is slackening off. Indeed the firm is not looking for war orders at the present time. The position is improving so rapidly, THE FINANCIAL POST is informed, that it cannot be very long before the preferred shareholders receive a portion at least of the accrued indebtedness from dividends.

B. C. PACKERS.

Late reports from the coast indicate a rather unexpected increase in the run of Cohoes, and it begins to look as though there would be a very fair pack of this grade. Certainly recent indications seem to suggest a great addition to the catch.

Directions for Employers
Who Purpose Claiming Exemption for Class One Men in Their Employ

THE following course is recommended for employers who have in their employ any number of men—bachelors and widowers without children (not otherwise excepted) who were 20 years old on the 13th October, 1917, and whose 34th birthday did not occur before Jan. 1st, 1917, and who propose claiming exemption for any of these men, to continue in work which is deemed to be in the National interest:

First, it will simplify matters for you and for the exemption tribunals if you instruct Class One men in your employ to go up for medical examination at the nearest Medical Board Centre.

Only Class One men, who upon medical examination are placed in Category A, are liable for immediate service under the Act. Class One men placed in Categories B, C or E satisfy immediate requirements if they attach their medical report to their claim for exemption.

EMPLOYER'S STATEMENT AND SCHEDULE

Second, prepare a full statement of the total number of your employees, grouping them according to their respective occupations and qualifications, and stating the number in each group. Indicate the possibility or otherwise of replacing the labour of Class One men with the labour of those unavailable for military service, or outside the statutory class called up; the extent to which the withdrawal of men in the statutory class would affect the business, the reason for considering that the carrying on of the business is in the National interest, and such other facts and circumstances as may appear to be relevant.

Append to this general statement and classification, a schedule of the names, ages and occupations of all men in Class One, indicating as to those who have been medically examined, the medical Category in which they have been placed, noting against each name whether or not you propose to claim exemption on behalf of the man.

Where exemption is claimed employer should state his opinion whether such exemption should be conditional on the man's continuing to follow his present occupation and whether it would suffice if exemption were granted for one, two or more months, as the case may be.

A copy of both statement and schedule should be prepared for each man for whom the employer is applying for exemption.

FORMS FOR EXEMPTION

These forms may be obtained on request from any Post Master, who will transmit the forms when filled in, to the Registrar.

Claims for exemption must be made not later than November 10th.

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Issued by
The Military Service Council

That a better feeling exists was evidenced by the better feeling that followed the stock all through the trading of the past week, under fairly heavy transactions for this stock. This week there have been no sales recorded, but there is no indication of any weaker feeling.

On Thursday of this week the British Columbia packers declared a half-yearly dividend of four per cent., payable November 20, to shareholders of record November 9. This would seem to indicate that this company had a more successful year than was at one time expected. The British Columbia Fishing & Packing Co. has declared a dividend of two per cent. for the half year, payable November 20.

BELL TELEPHONE.

Bell Telephone strengthened slightly this week to 131½, but later sold off to 130. There has been no additional information regarding the affairs of the company following the full statement of the situation printed in these columns last week.

CANADA BREAD.

After selling on a basis of 14-13¾ last week, Canada Bread common has this week displayed a somewhat better tone, although no transactions have taken place. Late quotations indicate 15 asked and 14 bid. The flour market now appears to be on a pretty firm basis. The new regulation providing for a margin to the miller of 25 cents per barrel goes into effect on the 1st of November. This may have the effect of slightly reducing the market for flour, but it is not figured that it would be more than 10 cents a bag and this would not be sufficient to affect the price of bread, although it would give some advantage to the bakers.

CANADA CEMENT.

Canada Cement common went down to 57¾ this week with the general movement of the market. The volume of trading was not heavy. The figure referred to is the low for the year. However, it is noted that as low as 60 was touched in July, and considering this the stock may be considered as having held its position fairly well in the general decline which has been noted for several weeks. The preferred at 91½ shows practically no change.

CITY DAIRY.

In speaking of the proposed central system of delivery that was one of the suggestions brought before the Food Controller's Milk Investigation Committee, Mr. Northgrave, the manager of the City Dairy, stated that the matter was hardly worth discussing, because it was entirely impracticable. In his opinion such a system of zone delivery would achieve no useful purpose and would not result in any saving. Their waggons were always going out fully loaded. All that a zone system could do would be to concentrate certain deliveries in certain sections, but the distant runs would have to be made by someone. Moreover, the co-ordination of so many business interests would raise an immense number of difficulties that would be bound to offset any possible gain. The City Dairy Company, he stated, had never considered such a system, and had no intention of doing so.

The company is still waiting for action by the Food Controller with regard to milk prices, etc., and in the meantime the special arrangement as to prices is being continued. Offers for the common of 30 and for the preferred of 60 continue without attracting attention.

CANADIAN RUBBER.

The year ending December 31 will show a large increase, not only in the gross earnings, but also in the net profits of the Canadian Consolidated Rubber Co., THE FINANCIAL POST learns, which means that the net sales of footwear, tires, etc., of $12,738,954 for the year 1916 will be exceeded for the year 1917 by a substantial amount. It is understood that the sales have grown for the year in practically every department, and one of the most satisfactory items has been that of tires. While this is the case, it is not likely that there will be a distribution on account of the common stock, as the greater part of the large surplus has been expended for the enlargement of the various plants in order to equip them for handling the enormous business that has been worked up. According to the president, T. H. Rieder, the several plants are now in a position to take care of an increase of business for next year, which is expected to surpass that of the present year almost to the extent that 1917 will prove to have exceeded the previous high mark of 1916. Thus, with an absence of heavy capital expenditures that have been considered necessary this year, the Canadian Consolidated Rubber Company should be in a position during the coming year to look after the waiting holders of common in a very handsome manner. For the year 1916 the net profits were $905,205 as compared with $534,978 the year before. The surplus at the end of last year amounted to $3,307,900.

There has been no dividend paid on the common since Oct. 1, 1914. The stock amounts to $2,805,500, and of preferred there is an even $3,000,000, on which 7 per cent. is paid.

DOMINION CANNERS.

With the canning season practically over it is possible to get a fairly comprehensive view of the situation, and that situation as it stands is not particularly satisfactory. Peas, tomatoes and corn, the bulk of the crop, have proved in the main a great disappointment. One factory which has prepared to pack 40,000 cases of corn and tomatoes and 10,000 of peas, packed only 1,000 peas and 3,000 tomatoes and corn. Another large factory that had prepared to pack 80,000 cases of tomatoes, packed only 3,000. Of course there were some instances where factories have made a good pack, but these have been the exceptions, not the rule. For instance, throughout the Niagara district, representing eight or ten factories, there has only been an average of about 1,000 cases per factory, a mere fraction of the expected pack.

The indications are therefore that the year has not been a particularly successful one. On the other hand the large facilities of the company have enabled them to curtail expenses, by closing some factories and directing the goods that would usually have been packed there to some nearby factory. Then, too, the company owns its own can manufacturing and lithographing plant that will probably have shown a profit, and a canned milk plant that it is understood has done very well.

On the whole, however, there is a question whether the company will much more than pay expenses. There is a possibility, however, that the company may, despite this fact, declare a slight profit. Matters turned out fairly satisfactorily for them last year, and there is a feeling current that part of the profit of this year may have been held back to meet any possible set-back in this year's business. It is possible, therefore, that there may be a small profit declared by the company despite the very unsatisfactory conditions that have attended the activity from the very beginning of the season.

GENERAL ELECTRIC.

Canadian General Electric has passed a comparatively dull week. The range of prices has been 102¼ to 103, which is considerably better than a week ago when the range was 100 to 102. Altogether the net change in General Electric since the first of the month has been comparatively small.

McKAY.

MacKay preferred this week went as low as 60½ with a high of 61. This compared with 62¼ to 62½ last week. The common sold as low as 75¼, being fractionally better than the low of last week, but it later recovered and sold as high as 76.

MACDONALD.

The few sales of A. Macdonald which have taken place this week have been at 13½ to 14, this range being the same as last week, but somewhat off from the opening figure of the month, 15. Whether the profits of this company would be seriously affected by the regulation of the Food Controller regarding the use of packages is a question which would be difficult to answer at this stage.

ONTARIO NATIONAL BRICK.

"A friendly action" was how one, who is in close touch with the affairs of Ontario National Brick, described the proposed winding-up proceedings to THE FINANCIAL POST. The main purpose of the winding-up proceedings is to free the company from certain obligations for taking a supply of power, and other points, for which it is now liable. The bondholders will be given an opportunity to re-organize when once it has gone into liquidation by buying it in if they so desire. It is doing practically no business at present.

RUSSELL MOTOR.

The action of the Russell Motor Company's directors respecting dividend has been receiving some criticism in Montreal. Doubt is expressed as to whether the payment of the entire accumulation of preferred dividends is justified by the showing made in the annual statement, to say nothing of the inauguration of such a large dividend on the common stock. It is further urged that placing the common stock on a seven per cent. basis will materially weaken the cash equities behind the preferred stock.

While, under ordinary circumstances, THE FINANCIAL POST would agree with the policy that, in times of abnormal prosperity, it is desirable to build up a substantial reserve before inaugurating dividends, yet the outlook has become so favorable for the Russell Company—more so than would perhaps appear on the surface—that the directors have been justified in taking the action they did. As has already been pointed out in these columns, were all manufacturing activities of the company to cease, there would still be sufficient revenue from investments to maintain preferred dividends, which leaves little doubt as to company's ability to pay common dividends.

It will be gratifying news to Russell shareholders to learn that the company is to participate in American war orders. These, it is stated, will run to over four million dollars and will necessitate the removal of part of the Russell Company's plant across the border. The line to be manufactured is a gun carriage for use in the navy. With these orders closed the company will likely earn as much in the current twelve months as in the past year.

The annual meeting of the company was held yesterday in Toronto, when the old board of directors was re-elected and two by-laws were carried. The chief interest centred in the second of these by-laws, which gives the directors power to sell or dispose of the undertaking of the company or any part of it, or to acquire an interest in other companies as may be deemed expedient. The company's solicitor, E. B. Ryckman, explained the legal aspect of the by-law, while the president, Lloyd Harris, stated that its present specific purpose was to enable the company to take on the American contract recently secured and to acquire factory property and other facilities in Buffalo for carrying it out. Other proceedings at the meeting were of a routine character.

SHREDDED WHEAT.

The Shredded Wheat Company of Canada is one of the companies which would unquestionably be facing a very serious situation if the Food Controller's embargo should be rigidly enforced. Officials of the company refused to make any comments on the matter, but from another source it was learned that the company confidently expect to get exemption on the grounds that any such action would do serious harm to the business of the company and would not result in any curtailment of the price of the commodity. On Friday of last week, just prior to the official publication of the Order-in-Council, there were some sales made in the common stock of the company that showed a very decided feeling of weakness. Only a few sales were made but they were at 112, ten points off the last sale price. This panicky selling was evidently due to the hint of the Food Controller's action and is a pretty good evidence of the public opinion of the probable effect of the rigid enforcement of order, on the business of the company. There were no sales noted in the preferred.

SHERWIN-WILLIAMS.

After the slight flurry in Sherwin-Williams common last week, which was accompanied by a revival of dividend reports, this stock has subsided into quietude. There were no sales during the current week. The market appears to be strong with 65 being asked and offers at 60—the level of last transactions—neglected. There have been no further dealings in the preferred.

SMART-WOODS.

Smart-Woods common is one of the few stocks displaying anything like strength on the present market. Last week there were sales at 50 and 51, as compared with a previous of 49 early in September. This week, while there have been no sales, offers of 52 have failed to arouse interest. The preferred has been inactive for some months.

TUCKETT TOBACCO.

On a transfer of 25 shares this week at 18½, Tuckett Tobacco common showed an improved tone over last week, when a few shares changed hands at 17. This price compared with a level of 21 up to the middle of September. Late quotations are 18½ bid and 20 asked. There is no interest shown in the preferred.

A NEW OFFICIAL.

Appointment of New Secretary by Farm Mortgage Bankers' Association.

E. D. Chassell has resigned the office of state railroad commissioner of Iowa to become secretary and treasurer of the Farm Mortgage Bankers' Association of America. He takes up his new duties about November 5. The Association is composed of the leading farm mortgage bankers of the United States and was organized for the purpose of standardizing the business and to reduce the cost of both loaning and selling, thereby benefiting the borrower as well as the investor.

Mr. Chassel has long been interetsed in the land business, having large holdings of his own in Iowa, Canada and elsewhere. His twenty years experience in the newspaper business, in politics—he was twice in the legislature, was state binder, and has been railroad commissioner—and his activity in business affairs made him the logical appointee to the new position he assumes.

FRIDAY'S PRICES.

Following are Canadian stock transactions at Friday morning's session:

	High	Low
Russell	50⅛	50
MacKay	76⅛	75⅝
Do., pref.	60½	60½
Smelters	25¼	25⅛
Steel of Can.	51¼	51
Do., pref.	84¾	84¾
Barcelona	9⅜	9⅜
C.P.R.	144	144
General Electric	102¾	102¾
Cement, pref.	91¾	91¾
City Dairy, pref.	60	60
Brazilian	36	36
Coniagas	325	325
Union Bank	137	137
Commerce	184½	184½
Standard	200	200

UNLISTED SECURITIES.

	Bid	Asked
Abitibi Power, com.	45.00	50.00
Can. Machinery, com.	7.50	11.50
Dom. Pow. & Trans., cm.	52.00	59.00
Dom. Permanent Loan	67.00	71.00
Eastern Car, pref.	.....	60.00
Ford Motor	200.00	230.00
Goodyear Tire & Rubber, com.	187.00	189.00
Home Bank	64.50	67.00
Imperial Oil	350.00	380.00
Lambton Golf Club	325.00	375.00
McDonald, pref.	84.00	88.00
Ont. Pulp Bonds	79.50	83.00
Stand. Rel, Ln. (par 50)	46.00	49.00
Brampton Pulp	40.50	42.00
Black Lake, com.	1.00	3.00
Do., pref.	.....	4.00
Do., Inc. bonds	.....	27.00
C. P. R. Notes	.....	103.00
Carr. Factories, com.	15.00	.....
Do., pref.	50.00	.....
North American Pulp	.....	3.00
Steel & Rad., com.	.....	15.00
Do., pref.	60.00	.....
Macdonald, com.	14.00	15.00
Peoples Loan	80.00	90.00
Wes. Can. Flour, com.	115.00	125.00

Stock Movements of the Week

This table records securities active on the Stock Exchanges.

Week ending Oct. 25:	Ask.	Bid.	High	Low	Last	Sales	Range 1917 to Oct. 18 High	Low
Banks—								
Commerce	186	...	185¾	185	185	22	...	...
Dominion	203	...	203	203	203	4	...	...
Hamilton	188	...	185	185	185	48	...	...
Hochelaga	140	...	140	140	140	63	...	...
Imperial	187	...	187	186⅞	186⅞	17	...	...
Merchants	167½	...	167½	167½	167½	5	...	...
Molsons	182	178	179⅞	179¾	179⅞	51	...	...
Montreal	...	210	210	210	210	51	...	...
Royal	208¼	...	208¼	208	208	6	...	...
Standard	202	...	202	200	200	18	...	...
Union	137	136	188	135	135	99	...	...
Transportation—								
Barcelona	9¼	9	9	8½	9	303	...	...
Braz. Traction	36¼	36	37	36	36⅜	1,013	...	...
Can. Steam., com.	41	40½	42	38¾	41	1,610	...	...
Do., pref.	76¼	75¼	77½	75½	76¼	72	...	...
Can. Pacific	145	143½	148¾	145	145	35	...	...
Detroit United	106½	105¼	106¼	105¾	105⅞	236	...	...
Dul. Sup., com.	45	42	42	42	42	22	...	...
Ill. Traction, pr.	80	...	80	80	80	1	...	...
Que. Ry., L., H.	15½	15	15½	14¾	15½	590	...	...
Toronto Ry.	62	61	61½	60	60	.164	...	...
Twin City, com.	79½	78½	79¼	78	78	105	...	...
Win. Electric	50	45	48	48	48	10	...	...
Telegraph, Light and Power—								
Bell Telephone	132	130	131½	130	130	161	...	...
Civic Inv. Pr.	73	71	71¾	70¼	70⅝	925	...	...
Mackay, com.	76¼	75¾	76	75¼	75¾	217	...	...
Do., pref.	61	60½	61	60½	60½	77	...	...
Shaw. W. & Power.	109½	109	110	108¾	108¾	1,191	...	...
Industrials—								
F. N. Burt, pref.	...	86½	86½	86½	86½	6	...	...
Brompton Pulp	41	40¾	41¾	41	41	370	...	...
Can. Cement, com.	58	57¼	58⅜	57¾	57¾	370	...	...
Do., pref.	91½	90½	91¾	91½	91½	40	...	...
Carr. Fac., com.	16	15	15	15	15	85	...	...
Can. Car, com.	20	18¼	19	17	19	225	...	...
Do., pref.	51	49	50	50	50	125	...	...
Can. Gen. El., com.	102½	101	103	102¼	102¼	182	...	...
City Dairy, pref.	...	60	60	60	60	20	...	...
Dom. Bridge, com.	132	129	130	129	129	540	...	...
Dom. Steel Corp.	55½	55	57	55½	56	3,280	...	...
Dom. Textile, com.	82¼	81½	84½	81½	81½	55	...	...
Do., pref.	...	99¼	100	100	100	26	...	...
Inter. Petroleum	13.00	12.75	13.60	13.12	13.50	400	...	...
Laurentide	158	157	156	153¾	155	910	...	...
A. Macdon., com.	14	13	14	13½	13½	60	...	...
Maple Leaf, com.	100	95	100	98¾	98¾	34	...	...
Do., pref.	94	92½	98	92¾	92¾	83	...	...
N.S. Steel, com.	80½	79	82	77⅛	79⅞	595	...	...
Ogilvie Flour, com.	143	139	140	140	140	25	...	...
Pac. Burt, pref.	80	79	79	79	79	1	...	...
Penmans, com.	...	68	68	65	68	222	...	...
Riordon P., com.	119	117	121½	119	119½	713	...	...
Russell Motor, com.	53	48	51	51	51	10	...	...
Saw.-Massey, pref.	...	41	41	41	41	115	...	...
Sh. Wheat, com.	117	...	112	112	112	20	...	...
Span. River P., com.	14	13	13⅝	13⅛	13⅝	145	...	...
Do., pref.	...	49	49	49	49	21	...	...
St'l Co. of Can., com.	51¾	51¼	52¼	50¾	51⅛	1,605	...	...
Do., pref.	85½	84½	85½	85	85½	248	...	...
Tuckett Tob., com.	20	18½	18½	18½	18½	25	...	...

WILL RENEW LOANS.

Great Britain Will Not Insist on Cancellation of Loans in U.S.

It is stated from Washington that Great Britain will rescind instructions issued last January to British mortgage companies in the United States not to renew mortgages on American farms, but to place the money at the disposal of British authorities for war purposes.

Approximately $100,000,000 in British capital has been invested in farm mortgages in the South and Middle West and if the companies called the loans it was feared many farmers would be financially embarrassed.

"As a result of conferences between Secretary McAdoo and representatives of the British Treasury," reads a treasury statement, "the latter will withdraw its circular of January 11, 1917, which instructed the British mortgage companies to reduce the aggregate of their loans on farm lands in the United States by refusing extensions of loans at reduced rates of interest.

Double Security

A glance at the main features of our Guaranteed Trust Investment plan shows how complete is the protection of moneys placed in our care under its provisions.

First. The plan possesses ample protection, because behind it stands the National Trust Company, Limited, with its paid-up capital and reserve of $3,000,000. The funds entrusted to the Company's care for investment on Guaranteed Trust Account, are trust funds, and are kept separate from its other accounts. The Company gives its unconditional guarantee to repay principal with interest as agreed.

Second. Guaranteed Trust Investments are safe, because moneys in the care of the Company on this plan are placed in first mortgages on improved realty in Canada. The precautions taken in inspection and selection of security form in themselves a guarantee of safety. They are most complete and are set forth in our booklet, "Guaranteed Trust Investments." We are glad to mail this booklet to anyone interested.

National Trust Company
Limited
Capital Paid-up, $1,500,000.
Reserve, $1,500,000
18-22 KING STREET EAST, TORONTO.

Short Time Investments

1. For the information of bankers and other conservative investors this summary of characteristics of the Collateral Trust Securities issued by this Corporation is published:—

Maturities:	Two months to ten months.
Denominations:	$1,000, $2,500, $5,000, $10,000, $50,000.
Yield:	At present offered at a discount rate of 5%—5½%—6%, depending upon maturities. Rates vary with financial market and length of maturities.
Origin:	Issued against two-name paper arising from actual sales of new trucks and automobiles. This underlying paper is deposited with National Trust Company, Ltd., of Montreal, as trustee for holders of securities.
Underlying Collateral:	Each of these two names is of approved credit standing and protected by direct lien on insured trucks and passenger automobiles with a margin of value considerably beyond credit involved.
Relation to Guaranty Securities Corporation:	Securities are the direct obligation of issuing Corporation, which is subject to supervision of banking authorities of New York, and has cash capital of $1,000,000 and undivided profits at August 31, 1917, of $218,698.02.
Margin:	Each $1,000 of securities is secured by $1,250 of underlying passenger car notes or acceptances or by $1,111.11 of truck notes or acceptances. These in turn are protected by direct lien on these insured trucks and passenger automobiles, having retail value at the beginning of the transaction, of $1,700 or $1,875
Self-Liquidation:	Securities are absolutely self-liquidating because their maturities are so arranged that there will always be more than sufficient funds in the hands of the trustee from maturing payments of the underlying collateral to protect them at maturity. The underlying notes pledged as collateral are themselves secured by ample physical collateral, so that there is no possibility of any shrinkage in these assets beyond a merely nominal amount more than adequately provided for in the Corporation's reserve for losses. For instance, on August 14, 1917, there was $1,573,972.74 cash in trust, awaiting the retirement of securities to the amount of $1,222,500.00 to mature on August 15, 1917.
Marketability:	Securities to the amount of over $30,214,000 have to date been issued and purchased almost entirely by Banks and Trust Companies in Canada and the United States and other conservative investors. Of these $25,195,000 have been matured and paid from the proceeds of the underlying collateral.

This Corporation will gladly give the names of leading banks in the financial centres who purchase these securities regularly. Our new booklet, "Collateral Trust Securities" giving full data concerning this form of short time investment will be sent promptly upon mail or telephone request.

Contents of Booklet:
Self Liquidation; Maturities;
Margin of Security; Volume of Paper;
Insurance Protection;; 10,000 Name Paper;
Collection Record of Underlying Collateral;
Vocational Diversification of Underlying Names;
Geographical Distribution of Underlying Names;
Credit Check on Underlying Collateral.

GUARANTY SECURITIES CORPORATION
Capital $1,000,000.00. Undivided Profits $218,698.02.
NATIONAL TRUST BLDG. - MONTREAL
Head Office New York - - San Francisco

THE INCREASE IN SAVINGS WILL MEET WAR LOAN

Notice Deposits $316,000,000 Higher Than August, 1914.

ASSETS MUCH LARGER

September Bank Statement Indicates Effects of War Business and Big Prices for Agricultural Products

In view of the approaching war loan, it is interesting to note that the whole of the $150,000,000 of the issue, and even the whole of the $300,000,000 which it is hoped will be reached by the subscriptions, could be financed out of the increase in the notice or savings deposits of the banks since the outbreak of the war—and there would still be an increase of some $15,000,000 indicated. Notice deposits in the September bank statement total $966,000,000. In August, 1914, they were $650,000,000.

If Canada, largely as the result of prosperity brought about through munitions and other war business, is in a position to finance this war loan, in addition to the others in the past, out of the increase in the savings deposits alone, there should be no doubt of the success of the issue, and that success should be attained without serious handicap to the financial and business machinery of the country. It is important, though, that the financing should be on an equitable basis over all the people, and not a drain upon the ready capital of the large institutions. In this connection the wide organization which has been effected for the sale of the war bonds should prove an important factor.

The bank statement has a number of interesting features, as indicated by the accompanying comparative analysis. Commerce has not only been in large volume, but the financing thereof has required extraordinary money facilities owing to the high prices prevailing. The increase in notice deposits is accompanied by a small increase in demand deposits also. These increases are undoubtedly a reflection of the approaching loan and the accumulation of liquid funds therefor. During the month the assets of all the chartered banks increased by $30,180,000. This increase indicates an enlargement of business, probably resulting from a resumption of war purchases on a better basis and the high returns from practically all kinds of agricultural as well as manufactured products. This increase should be continued during the present month, there being obviously a continuation of the conditions under which it occurred.

Canadian banks drew more heavily upon their foreign balances in September, and foreign deposits were decreased by $6,116,000, and funds on call were reduced by $12,130,000. At the same time current advances abroad were about stationary. The advances made for crop movement purposes were reflected in an increase of almost $19,000,000 in current loans at home, and advances to the security markets at the same time showed an increase of $1,216,000.

ANALYSIS OF BANK STATEMENT FOR SEPTEMBER.

	Sept., 1917.	Aug., 1917.	Change in month.	Sept., 1916.	Change in year.
Immediately Available Liquid Reserves.					
1—Specie	$ 69,848,795	$ 71,223,228	— $ 1,374,433	$ 65,026,146	+ $ 4,822,649
2—Dom. notes	121,691,837	120,508,217	+ 1,183,620	134,433,652	— 12,741,815
4—Gold reserve	64,870,000	53,320,000	+ 11,550,000	24,010,000	+ 40,860,000
9—U.K. banks	13,841,655	19,740,887	— 5,899,232	24,661,857	— 10,820,202
10—Foreign banks	56,492,760	50,058,175	+ 6,434,585	73,531,799	— 17,039,039
11—Gov. securities	142,698,962	142,483,388	+ 215,574	41,127,376	+ 101,571,586
15—Call loans	166,480,004	178,610,625	— 12,130,621	173,877,586	— 7,397,582
	$ 635,924,013	$ 635,944,520	— $ 20,507	$ 534,668,416	+ $ 99,255,597
Loans and Securities Other Than Those of Canadian Government.					
12—Pub. secur.	$ 176,015,496	$ 176,249,192	— $ 223,796	$ 161,162,630	+ $ 14,852,866
13—Railway secs.	58,894,390	58,763,965	+ 130,425	67,139,320	— 8,244,930
14—Canadian call	72,421,187	71,204,351	+ 1,216,836	88,145,851	— 15,724,664
16—Current loans	855,306,953	8386,429,670	+ 18,877,283	752,545,756	+ 102,761,197
17—Loans abroad	87,265,325	87,082,847	+ 182,478	69,949,215	+ 17,316,110
18—Loans to Govt.	1,790,151	1,607,763	+ 182,388	10,833,971	— 9,043,820
19—Prov. loans	5,430,535	5,011,228	+ 419,307	1,103,740	+ 4,326,795
20—Municipal	42,721,563	43,940,176	— 1,218,613	38,708,745	+ 4,012,818
	$1,299,845,600	$1,280,289,192	+ $19,556,408	$1,189,589,228	+ $110,256,372
Other Assets.					
21—Overdue debts	$ 5,984,058	$ 5,639,778	+ $ 344,280	$ 6,440,995	— $ 456,937
26—Other assets	78,354,586	77,466,703	+ 887,883	69,861,552	+ 8,493,034
	$ 84,338,644	$ 83,106,481	+ $ 1,232,163	$ 76,302,547	+ $ 8,036,097
Total	$2,020,108,257	$1,999,340,193	+ $20,768,064	$1,802,560,191	+ $217,548,066
8—Note cir. dep.	$ 5,761,342	$ 5,756,623	+ 4,719	6,854,266	— 1,092,924
5-8—Int. bank bal.	100,701,743	91,293,846	+ 9,407,897	84,190,275	+ 16,511,468
Gross	$2,126,571,342	$2,096,390,662	+ $30,180,680	$1,893,604,732	+ $232,966,610
LIABILITIES TO THE PUBLIC.					
Liability to Governments and Circulation.					
1—Circulation	$ 177,589,268	$ 156,450,657	+ $21,138,611	$ 135,285,031	+ $ 42,304,237
2—Dom. Govt.	19,888,938	25,271,715	— 5,382,777	24,300,152	— 4,411,214
3—Prov. Govt.	21,392,853	21,247,058	+ 145,795	23,745,661	— 2,352,808
Deposits by Public.					
4—Demand dep.	$ 451,749,532	$ 439,995,259	+ $11,754,273	$ 454,143,049	— $ 2,393,517
5—Savings dep.	966,393,541	952,591,821	+ 13,801,720	816,374,171	+ 150,019,370
Total Can.	$1,418,143,078	$1,392,587,080	+ $25,555,998	$1,270,522,220	+ $147,620,858
6—Foreign	180,535,043	186,651,653	— 6,116,610	149,744,985	....
Due to Banks Abroad, Etc.					
9—U. Kingdom	$ 2,860,387	$ 3,082,024	— $ 221,637	$ 1,709,474	+ $ 1,150,913
10—Foreign	21,030,174	21,478,965	— 448,791	12,920,615	+ 8,109,559
11—Bills payable	3,683,524	4,541,826	— 858,302	4,504,325	— 820,801
12—Acceptances	17,258,539	16,990,296	+ 268,243	10,626,480	+ 6,632,059
13—Other liab.	3,600,098	11,521,727	— 7,921,629	3,507,655	+ 92,443
Public liab.	$1,865,981,897	$1,839,823,001	+ $26,158,896	$1,636,866,598	+ $229,115,299
8—Due bet. banks.	10,408,394	8,391,875	+ 2,016,519	10,910,150	— 501,756
Gross	$1,876,390,291	$1,848,214,876	+ $28,175,415	$1,647,776,748	+ $228,613,543

AUTOS FROM U. S.

Canada Principal Export Market For U. S. Pleasure Cars.

Canada's large importation of United States passenger motor cars is indicated in the returns for the fiscal year ending June 30 last, showing that United States manufacturers shipped to this country a total of 14,421 machines valued at $11,143,740. In addition Canada bought 636 United States commercial automobiles for $945,047. Total expenditures for United States machines therefore totalled over $12,000,000 in the year. While Canada's investment in United States passenger cars was nearly four times greater than that of any other export market, Europe offered the best field for commercial automobiles; the United Kingdom bought 6,525 cars for $17,061,105, France 4,264 cars for $17,864,502, and Russia 1,733 cars for $4,428,979.

GOVERNMENT ASKED TO OPERATE PLANT

Port Arthur Takes Action With Regard to the Atikokan Iron Company.

PORT ARTHUR.—That the Port Arthur blast furnaces, better known as the plant of the Atikokan Iron Company, will be operated under government control, will be an established fact if the Port Arthur city council has its way. A communication is being sent to Sir George E. Foster asking him to have the plant and mines operated under government supervision. Action is asked in view of the part that the Atikokan Iron Company has been communicated with several times during the past two years, with a view of getting the plant at Port Arthur in operation, and no satisfaction has been obtained; also because the United States has placed an embargo on steel and iron coming to Canada, which places the iron and steel industries of Canada in a very poor position as to material.

A letter will also be written to the Atikokan Iron Company executive, saying that the city of Port Arthur is not satisfied with the very abbreviated statement furnished, and that the council would like to know where the original amount of $700,000 was pledged and for what purpose. The council also desires to obtain a detailed statement of bills payable to the banks for $612,900, how the special loan of $75,000 was used and how acounts payable, amounting to $11,201, were expended.

Delegation of Mexican industrial engineers, headed by A. R. Costa and A. F. Savinon, have arrived in this country and will shortly visit New York and Boston. They have been commissioned by their government to investigate industrial problems and devices with view to facilitating the industrial reconstruction of Mexico.

J. W. Sheppard of Cayuga has been named as chairman of the Haldimand County Committee.

CO-ORDINATING EFFORTS OF THE RAILROADS

Central Organization to Facilitate Movement of Freight on an Efficient Basis.

The movement for co-operation between the railways in Canada, under the title of "Canadian Railway Association for National Defence," will be far-reaching in its results during the continuation of the war, and from an economic standpoint will mean much, not only to the roads themselves, but to the general public. In many respects, particularly in the movement of freight, the organization will approach the excellent co-ordination that has been secured by the British railways, operating through a board of seven men, chief executives of the leading roads.

The Canadian movement will correspond to the Commission of National Defence organized by the railways of the United States, and will expedite an efficient working relation between the Canadian and U. S. roads.

The aims of the new body, as set forth for THE FINANCIAL POST by J. E. Duval, general superintendent of transportation of the Grand Trunk Railway, a member of the executive, include primarily a more efficient handling of munitions and foodstuffs for the allies by a pooling of the rolling stock of all the roads, through the distribution of all available equipment to the points where congestion threatens. A partial remedy will be obtained for the scarcity of labor as well, and arrangements may be made by a special committee to curtail passenger service, or avoid needless duplication of trains as between one road and another.

So far as the carrying of coal is concerned, no acuteness in the situation this winter is expected, but the haulage will be expedited. Since last winter every railway has increased its rolling stock, and the Grand Trunk expect 1,000 new box cars to be delivered in time for winter requirements.

"Until the war is over, the Canadian railways will co-operate as one line, and the idea of competition will be eliminated," Mr. Duval declared.

A general committee has been formed, consisting of Lord Shaughnessy for the C. P. R., H. Y. Kelley for Grand Trunk, Sir Wm. Mackenzie for the Canadian Northern, and Alfred Smith for American lines. An administrative committee has been formed, consisting of U. E. Gillen Grand Trunk, chairman; C. A Haynes, Canadian Government Railways; D. B. Hanna, Canadian Northern; E. D. Bronner, Michigan Central; F. F. Backus, Toronto, Hamilton & Buffalo; J. N. Walsh, Quebec Central; and Sir George Bury, Canadian Pacific.

The car service committee consists of A. Kingsland, C. N. R.; N. Rippey, Canadian Government Railways; A. E. Locke, T., H. & B.; J. E. Duval, G. T. R.; A. Hatton, C. P. R., and W. A. Griffin, T. & N. O. R.

GUARANTEE PRICES TO FARMERS FOR BACON.

Continued from page 1

shipments of poorly fed cattle have lowered the price and slowed down movement. There was much less speculative movement to the south than there was two weeks ago. Prices of hogs have dropped $1.50 per cwt. during the past week and bid fair to go lower. The order in council on Wednesday as permitting the manufacture and importation of butter substitutes is received with mixed feelings in the West. The consumers have been clamoring for it for months, indeed practically ever since the war began. The dairy men regard it as likely to prove a serious blow to the industry which in the West is not so fully organized nor so well established as it is in the East.

There is no doubt that under the present high cost of living, with butter and bacon both at 50 cents a pound, the children of the households of the ordinary wage earning man are not getting the supply of animal fat which they should be to keep them healthy, especially in our climate.

Packers state that they will make no move toward installing plants for the manufacture of butter substitutes until they receive some very definite guarantee as to the continuance of permit. The Swift-Canadian will probably import from Chicago as soon as the details of the customs regulations are known.

In Minneapolis and St. Paul the best grades of butter substitutes are selling at 35 to 38 cents a pound, or a spread of from 12 to 15 cents below the best grade of creamery butter.

Food Administrator Hoover gives warning that a temporary shortage of sugar in the eastern and southern states may make it necessary to place candy and sweets on a rationing basis unless consumption is cut down at least one-third.

AIRCRAFT IN U.S.

Construction Stage on Large Scale Is Now Being Reached.

Aircraft construction in the United States is now passing from the preliminary development and experimental to the construction stage. This transition period has all occurred in the past six months and has gone as far in that space of time as the automobile industry went in six years.

The Curtiss Aeroplane Corporation's new factory at Buffalo is the expression of the new basis on which the industry is pedestaled. This company which heretofore has supplied the Government with practically all its aeroplanes had a limited capacity. About fifty machines a year was all the Government could count upon being produced in this country annually, of which the Curtiss Co. supplied 90 per cent.

Now the new factory on which construction was started in August and which will be completed in a few weeks, will cover 1,200,000 square feet of enclosed space and will produce as many planes a day as were formerly produced in this country in a year.

The situation is still full of pitfalls and the outcome of the present extensive program of airplane construction is not by any means certain. The management of the Curtiss Co. is, however, forearmed because it is forewarned and its plans and program take into account the pitfalls that are likely to arise in labor, material or financial quarters.

The question of financing such an extensive program is a big one, but so far the company has been completely financed privately with the exception of the $2,000,000 which was raised by sale of new stock at 35. The new plant will cost $4,000,000 for buildings alone, all of which money has been raised. Machinery, it is understood, will be supplied by the Government and is already on the ground and being installed as fast as buildings are completed. The wood and metal working departments of the new plant are already in operation.

AN ANALYSIS OF BACON INQUIRY

Some Aspects of Charges Against Sir Joseph Flavelle Which Will Appeal to the Thoughtful.

The following references to the bacon inquiry and the Canadian political situation are extracts from a letter to a prominent public man in England in response to his enquiry. The letter was writen by a student of our affairs not in any way connected with the packing interest and it will be observed that the letter was written sometime before a Union Government was formed by Sir Robert Borden.

Referring to your enquiry as to the agitation against Sir Joseph Flavelle of the Imperial Munitions Board, some time ago Mr. Flavelle, as he then was called, was moving very strongly for a Union or National Government. This was very objectionable to the powerful machine elements in both the political parties who therefore decided to discredit him through the Davies Company of which he is President. It appears that Sir Joseph regarded himself as a trustee in administering the immense sums being expended in Canada by the Imperial Government. Whatever may be said as to this some of the manufacturers thought the Imperial Government intended to deal more liberally than the very strict contracts made by the Munitions Board here permitted. One very wealthy and capable business man told me that he had lost money on shell contracts with the Munitions Board. Some of our manufacturers who went into the manufacture of munitions at the urgent request of the Government objected very strenuously to being lectured by Sir Joseph as to disregarding profits and to being denounced as profiteers by some of the press and all the demagogues who are very numerous here as in England.

In one case a very influential party thought Sir Joseph had dealt harshly with him and he blames Sir Joseph for his failure to make a fortune. As I understand the matter, he had no plant for manufacturing but simply desired to make a large fortune by obtaining a shell contract. Since then he has entertained very hostile feelings towards Sir Joseph Flavelle. This and Sir Joseph's advocacy of a National Government to a large extent accounts for the present agitation.

It is obvious that the Meat Trust of the United States would benefit enormously if the Davies Company could be crushed or hamstrung. That the agitation is largely clap-trap is sufficiently proved by the circumstance that even if the whole of the gross profits of the Davies Company were deducted from the price of bacon here, it would make very little material difference, that is to say, the price now is fifty-five cents per pound and if you deducted the gross profit of four cents per pound (much less the profits of about one cent per pound) people would not benefit to anything the extent they are led to believe.

THE FINANCIAL POST which has long advocated a Non-Partisan Government, openly charges that the attack on the Davies Company is inspired by sinister motives. So far as one outside, like myself, can judge, nothing irregular has yet been proved in the investigations held by the Dominion Government, and the Commission could not condemn Sir Joseph Flavelle without also attacking the Finance Department on the main points being urged, namely that large sums were written off the cost of buildings, etc., in order to reduce the profits upon which taxes were to be paid as these deductions appear to have been sanctioned by the Finance Department. The contention of the Davies Company is that these buildings should be put in its balance sheet at their cost in normal times and not at the actual cost under war prices for material and labor.

There is a further element in the matter that the professional politicians think they should have the monoply of such positions as there are in the Imperial Munitions Board, etc., and are strongly opposed to any interference in the spoils system which is now largely in force here by Dominion, Provincial and Municipal Government. These elements very naturally object fiercely to men of the type of Sir Joseph Flavelle and W. J. Hanna, who have been devoting their time and energy to the service of the country without pay, taking such a prominent part in public affairs, but even more to a non-partisan National Government as is advocated and I believe demanded by the majority of our people.

The real difficulties in connection with the food problem in Canada are, that owing to the very high wages paid by the munitions and other manufacturers there has been a very large exodus from the farms to the towns and cities. Such an exodus was indeed taking place before the war but has been gravely aggravated. Unless some drastic action is taken (and such action as can only be taken by a National Government) there will be a very serious condition of affairs in 1918 as a disastrous shortage of food is otherwise quite certain.

You will be interested to know that notwithstanding all the difficulties thrown in the way there is an excellent prospect that the Union or National Government will be formed probably before our elections although some say not until after the elections. The majority of Canadians are in favor of conscription and of a non-partisan Government which will concentrate all our energies on winning the war but we have not yet adopted proportional representation and under our present system the grafters and machine politicians can secure an undue representation in Parliament, consequently no one can safely predict what will happen in the elections."

Canada is Now a Creditor Nation

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By Subscribing for Large Blocks of

Canada's Victory Bonds

It is for you, manufacturers and merchants, to give the lead to those whose daily lives you influence, by subscribing for a substantial block of Canada's Victory Bonds.

The simple fact is, Canada must have more money to carry on her part in the war and extend credit to Great Britain and our Allies.

This Canada must do if our industrial, commercial and agricultural activity is to be maintained.

Since Canada can no longer borrow abroad, the money must be secured here.

Fortunately the money is here. It only remains to get the hundreds of thousands of people with savings to realize what it means to Canada—to them—to you—to insure the success of the Loan.

By subscribing for Canada's Victory Bonds yourself, and tactfully explaining their merits to your employees—you can insure the Bond issue becoming an overwhelming popular success. This Canada relies upon you and every other manufacturer and merchant to do.

So surely as Canada's Soldiers in the Front line trenches are fighting for Freedom, so in a lesser degree do they fight who lend their money to support Canada's Armies in the field.

Money fights to-day, and it is the bounden duty of every Canadian to back Canada's part in the war by buying Canada's Victory Bonds.

Decide now that your concern will take a big block of Canada's Victory Bonds and that your whole establishment will be organized in support of the Loan.

Issued by Canada's Victory Loan Committee
in co-operation with the Minister of Finance
of the Dominion of Canada.

DIVIDENDS DECLARED.

BANK OF MONTREAL

NOTICE is hereby given that a DIVIDEND OF TWO-AND-ONE-HALF PER CENT., upon the paid up Capital Stock of this Institution, has been declared for the current quarter, also a BONUS OF ONE PER CENT., both payable on and after Saturday, the FIRST DAY OF DECEMBER next, to Shareholders of record of 31st October, 1917.

FREDERICK WILLIAMS-TAYLOR
General Manager.

Montreal, 19th October, 1917.

The Canadian Bank of Commerce

DIVIDEND No. 123.

NOTICE is hereby given that a quarterly dividend of 2½ per cent. upon the capital stock of this Bank has been declared for the three months ending 30th November next, together with a bonus of one per cent., and that the same will be payable at the Bank and its Branches on and after Saturday, 1st December, 1917. The Transfer Books of the Bank will be closed from the 16th to the 30th of November next, both days inclusive.

By order of the Board,
JOHN AIRD,
General Manager.

Toronto, 19th October, 1917.

Montreal Tramways Company

DIVIDEND NOTICE.

NOTICE is hereby given that a quarterly dividend of two and one-half per cent. (2½%) for the quarter ending the 30th September, 1917, has been declared upon the paid-up Capital Stock of the Company, paid in to Shareholders of record on Monday, the 15th day of October next, at 4 o'clock p.m., payable on Friday, the 2nd November, 1917.

By order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.

October 12th, 1917.

The Riordon Pulp & Paper Co., Limited

Common Stock Dividend No. 7

NOTICE is hereby given that a quarterly dividend of 1½%, being at the rate of 6% per annum, and a bonus dividend of 1% be declared on the Common Stock of the Company for the third quarter *of the year*, payable November 15th, 1917, to shareholders of record at the close of business on November 8th, 1917.

By order of the Board,
F. B. WHITTET,
Secretary-Treasurer.

Montreal, October 23rd, 1917.

ILLINOIS TRACTION COMPANY

NOTICE OF DIVIDEND No. 19.

A QUARTERLY Dividend at the rate of Three per cent. (3%) per annum on the Common Stock of the Illinois Traction Company has been declared for the Quarter ending Oct. 31st, 1917, payable Nov. 15th, 1917, to Shareholders of record Nov. 1st, 1917.

By order of the Board,
GEO. M. MATTIS,
Treasurer.

Champaign, Ill.

Barcelona Traction, Light & Power Co., Ltd.

NOTICE

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Shareholders of BARCELONA TRACTION, LIGHT AND POWER COMPANY, LIMITED, will be held at the Office of the Company, Manning Arcade, King Street West, Toronto, Canada, on Thursday, the 15th day of November, 1917, at the hour of 12 o'clock noon, to receive the Second Annual Report of the Board of Directors for the year ended 31st December, 1916, for the election of Directors for the ensuing year and the transaction of such other business as may be transacted at a General Meeting.

BY ORDER of the Board,
R. H. MERRY,
Secretary.

TORONTO, CANADA,
24th October, 1917.

Figures on revised assessment for Hamilton are as follows:—Total land assessment, $41,564,240; total assessment of buildings, $46,408,800; total business assessment, $7,194,885; total taxable income assessment, $3,920,-800; in all $82,932,750. This compares with $81,346,235 in 1916.

Galt's population, according to the assessor's figures, is now 12,465, a gain of 545. Total assessment is now $9,139,436, an increase of $257,336.

DIFFICULTIES OF THE ACADIA SUGAR COMPANY

A Sale or Reorganization is Being Proposed to Shareholders.

FIRE HAS BEEN FACTOR

Big New Plant Was Erected to Face War Conditions, and Permanent Finances Could Not Be Arranged.

Special to The Financial Post

HALIFAX.—The Acadia Sugar Refining Company is an enterprise in this city in which Scottish and Nova Scotia capital has been invested to the extent of $3,000,000. The company for a long period of years was highly successful, and its securities came to be looked upon, if not exactly gilt-edged, at least as good and desirable. Some time before the war there was a fire, which destroyed one of the plants of the company, the Woodside refinery in Dartmouth being burned down. The Richmond refinery was still in commission.

The company decided to rebuild the refinery at Woodside, and a splendid building with refining machinery was erected, making a plant which was thought to be the last word in sugar refining equipment. When this was done, the Richmond refinery was closed, and the Woodside, having cost $2,000,000, was brought into commission.

Two points are to be noted here. The first is that, instead of spending a vast sum in building a new plant far beyond the possible demands of the market when the output of other refineries was remembered, it might have been better to enlarge the Richmond refinery and work it to capacity. The second point is that the funds for the new building were not raised by a new bond issue, but by money advanced by the bank and the proceeds of the insurance. It was thought that the cost of the new building could be met by earnings.

Then the war came, business was less profitable than was expected loans on capital account could not be repaid, and it was now found impossible to make an economical bond issue.

A third factor which brought about the company's present position was the organization of another company and the establishment of another refinery in another city. This brought in competition which had not before been encountered.

The method of conducting a sugar refinery business has largely changed in late years; indeed, it has been almost revolutionized so far as the Acadia Company was concerned. The company lost ground instead of gaining it, and for two or three years loss followed on loss.

There have been rumors for some time of prospective changes in the company, and it has been generally known that some radical departure would have to be made. One fact which became known to the public was that negotiations had been begun with a Montreal capitalist, largely interested in the new refinery built in the East, the object of which was the purchase by him of the Acadia, or that he should obtain control of it.

A circular has been sent out by the Acadia Sugar Refining Company signed by D. R. Turnbull, its secretary, announcing a meeting to consider a possible sale, or on the other hand, a reorganization of the company. The circular is as follows:

> "I have been notified by the directors to notify you that an informal meeting of the shareholders resident in Canada will be held at the office of the company in Halifax, on Friday, Oct. 26, at 4 o'clock. The directors will explain the company's present position and will place before the meeting certain suggestions which have been made to them.
>
> (1). As to a possible purchase of the company's business.
>
> (2). As to a re-organization of the company.
>
> The meeting will be asked to appoint a committee to report to a later meeting its recommendation as to the best course to pursue in the circumstances.

FRENCH INDUSTRIES.

Census Being Taken as Basis for Reorganization.

Among the important measures proposed by the French Government in the preparation for industrial reorganization after the war, is an industrial census, which it is proposed to make obligatory and very detailed and comprehensive. The details of the project are likely to be worked out by the newly created Economic Committee of the Government, recently established by decree, and comprising Paul Domeur, Minister without Portfolio, the Minister of Commerce, the Minister of Agriculture, the Minister of Colonies, the Minister of Transport, the Minister of Munitions, and the Minister of Provisionment. The Minister of Commerce will take part in the deliberations of this committee whenever they affect his department.

The purpose of the industrial census is to determine the nature and number of industrial machines, the extent and character of industrial equipment, and available supplies of industrial materials. There has, however, been considerable opposition to the proposed census, coming chiefly from chambers of commerce and manufacturers' associations. Objection is particularly raised to the obligatory feature of the project, on the ground that article 55 of the new income-tax law specifically authorizes the tax officials to make use of information obtained by any branch of the public service under existing laws.

GREAT PROSPERITY IN WESTERN CANADA

President Gilverson of Rice Lewis & Sons Sees Many Indications of Good Times.

President A. E. Gilverson of Rice Lewis & Sons, Ltd., Toronto, Ont., has recently returned from a trip through the Canadian West and the coastal districts during which he was interested to some extent in the agricultural and shipbuilding phases of the country's industry. Mr. Gilverson confirms previously expressed opinion of others to the effect that the Western farmer is at the zenith of his prosperity owing to bountiful crops and high prices, and adds that the farmer's buying power is to-day about double what it was a year ago. Mr. Gilverson has no hesitancy in saying that the generally prosperous conditions of the West are certain to be reflected in general business and industrial conditions very shortly.

He describes the general spirit of the West in the statement, "the people are taking heart," and points out that whereas the farmers, particularly in the prairie provinces, have of late years been rather pessimistic over the general outlook they are now encouraged by the measure of prosperity which is theirs and greater things may be expected in the future.

The construction of large numbers of steel and wooden ships on the Pacific Coast both in the United States and Canada, was also referred to briefly by Mr. Gilverson, who added that the great problem being faced by the shipbuilding interests was a shortage of labor. He states that this shortage is rendered more acute by the application of conscription in both countries and that it is very likely to present a very serious problem for the Government to handle.

The best idea of the prosperity of the Western farmer can be gained from Mr. Gilverson's report of a visit to one farm which was but one of its kind dotting the vast prairie. He states that the crop being harvested by this farmer was worth in the neighborhood of $90,000 and that it was being gathered in by thirty men and an equal number of horses, the men employed at the rate of $5.00 per day. Mr. Gilverson states that under such conditions the Western farmer has "money to burn," and in his opinion this condition of affairs may very soon be expected to be reflected in general trade conditions.

MUST HAVE THE COAL.

Fuel Administrator Will Brook No Interference With Production.

WASHINGTON. — The following telegram has just been sent by Fuel Administrator Garfield to the miners and operators in certain districts of Illinois, Indiana, and Ohio, where strikes among the coal miners have already occurred or are impending:

> "American citizens engaged in the mining of coal, whether operators or miners, are, for the most part, mindful of the fact that our country is at war and that the burden rests upon them to produce the coal needed without interruption. But there are evidently some who fail to understand the gravity of the situation and who do not hesitate to advocate strikes at the present time as a means of forcing the Government to at once decide whether the wage increase agreed to at the meetings recently held at Washington by the operators and miners of the central district should justly be covered by an advance in the prices fixed by the President. The matter has been submitted to me, and all concerned are expected to cooperate. I am giving immediate and close attention to the question and hope to reach a decision at an early date. The only circumstance within my control which will delay that decision will be the violation of the spirit of the arrangement between the operators and miners, which was that under no circumstances should the production of coal in the United States at the present time be allowed to diminish. If either the operators or the miners attempt to bring pressure upon me to reach a decision, I shall postpone it and use whatever powers are necessary to compel the production of coal to meet the country's needs."

A USEFUL BOOK

Some very valuable advice upon the matter of savings is contained in a little book entitled "Profits from Savings," a copy of which will be sent to any reader of this journal.

If you would like to have a copy, write the Standard Reliance Mortgage Corporation, 82-88 King St. East, Toronto, and say "Please send me your book "Profits from Savings."
—(Advt.)

GOOD OUTLOOK FOR NEW MONEY IN SCOTLAND

Canada Has Always Been Well Regarded in That Market.

PEOPLE COMING TOO

Some Interesting, First-Hand News of the Situation as Regards Loan Company Funds on the "Other Side"—and in Canada.

By W. C. MYERS,
Ontario Manager, Great West Permanent Loan Co.

What will be the attitude of the "Old Country" investor toward Canadian securities, and more particularly Canadian loan company debentures when this destructive war is over, is a question that is at first thought as difficult to answer as it is to keep in the background of the minds of those responsible for the successful operations of our mortgage companies. Prior, and up to the commencement of the war, Canadian mortgage companies were largely dependent on, and, as a matter of fact, did secure most of their cheap money from Scotland. It has been said, and the statement is practically correct, that Scottish capital has been to a large extent responsible for the splendid success attending the operations of our Canadian mortgage and loan companies. The careful and successful management of these institutions the names of many of which are known all over Scotland, and whose operations have been a credit to their directors and a source of profit and satisfaction to those investing funds with them, have done much to create a very favorable impression in Scotland regarding Canadian financial institutions generally.

It was my happy privilege to spend nearly four years in Scotland in connection with the sale of our company's debentures. During that time I called on over two thousand lawyers and bankers, touching every city, town and village between Stranraer and Inverness, and the splendid grasp which these men had of our Canadian mortgage business, and the interest manifested in the development of Canada, was a continual joy and surprise to me. The uniform courtesy of the Scottish lawyer and banker is magnificent and makes a man's work amongst them a real pleasure. There is a much closer affinity between Scotland and Canada as far as the investing public are concerned than between England and Canada, due in a large measure to the class of immigrants coming to this Country. Many of our most successful business men in Canada, and men who have been largely responsible for the creation of some of our most substantial financial and mercantile institutions. came from Scotland in the early days with but little save their dogged determination to make good, and the spirit of these men has been the motive power whereby this magnificent Dominion has been brought to it's present splendid position amongst the self governing and independent countries of the world.

After War Immigration

What has all this to do with after war conditions? Much. The working classes in both Scotland and England are coming into their own as a result of this war in a manner which never would have taken place otherwise. With the higher wages being paid and the education of the people along temperance and social reform lines, huge sums of money are being saved and invested in war savings certificates annually. When peace comes and industrial conditions become comparatively normal again there will be a migration of men and money from Great Britain to Canada such as we have never witnessed in the palmiest days. Millions of pounds sterling will be brought over by those coming to Canada to live. for taxation will of necessity be high in Great Britain for some years, and thousands of the young men now serving with the colors and who have gone from towns and cities will never go back to clerical, or indoor positions. These men will, almost to a man, emigrate, and, knowing the attitude of the average Scotsman toward Canada, I am convinced this country will be the haven of the great majority of those returning from the war and who are physically fit to hustle for themselves.

With the incoming tide of settlers will also come large sums of money for investment from the so called middle class, as well as from the monied people. Canada is at the heart of the Empire, possessing as great, if no' greater natural and undeveloped resources, well equipped and ready to use transportation systems, splendid waterways, and ideal climate, and with social and educational advantages of the highest order, than any country in the world to-day. These facts are already known by the people of the "Old Land" and will be the lodestone which will bring to our land the best in the way of men and treasure.

Interest Rates Higher.

I am of the opinion that our Canadian loan companies will find a ready market in Scotland, and a growing market in England, for their debentures after the war, but at a much higher rate of interest than has been paid in the past. When I went to Scotland in 1911 we were obtaining money at 4 per cent. and under, and I have been shown mortgages on choice heritable property at 2¾ per cent., but to-day our companies are obliged to pay over 5 per cent. in order to hold their business, owing to the high interest returns on British war certificates.

I was surprised to learn during nearly a year's work in England, during which time I called on over five hundred lawyers and bankers, that they had a very hazy conception of our mortgage company business, and of the security provided investors purchasing our debentures. The English capitalist makes use of the stock exchange in the investment of his money and is more ready to "take a shot at it," as they say, whereas the Scottish capitalist wants "safety first." However, there is no reason why a splendid financial connection should not be worked up through the sale of our Canadian loan company debentures in England and I would urge that steps be taken to cultivate this field immediately after peace is declared.

I may say however, that those attempting that work, if they follow the methods employed by myself, will find it much more difficult to make a success of the same in England than in Scotland for two reasons, viz. the English are more difficult to approach, and are not as familiar with Canadian institutions as those in the North Country. As the same time I found many very delightful and up-to-date men in Devon and Cornwall who are keenly interested in Canada.

The Market At Home.

In the meantime it must be a source of satisfaction to the management of our mortgage companies to see the splendid response which is being made by investors in the purchasing of our currency debentures in Ontario. I am credibly informed that many of our leading loan companies are receiving as much money for investment through the sale of their currency debentures in Canada to-day as they did from Scotland before the war. This too, in spite of the large number of investment offerings on the market.

Canadians should well be proud of our mortgage companies, and the convenience and safety provided private investors in the purchase of the debentures of a well managed mortgage company will no doubt demand the constantly increasing attention of those having surplus funds for investment. The personal element entering into a mortgage contract between individuals is frequently a cause for considerable annoyance and disappointment whereas this is entirely eliminated when investing in a loan company debentures.

SIR ADAM BECK IS FAILING THE MUNICIPALTIES.

Continued from page 1

that it would be four or five years before that project could be carried to completion.

Sir Adam's Position.

Sir Adam Beck recently appealed to a Committee of the Dominion Government at Ottawa asking them to prevent the Electrical Development Company and the Canadian Niagara Power Company from exporting power into the United States, and he was forced into the extraordinary position of asking that two of the Companies should be prevented from exporting power while he himself was evidently to be allowed to continue to export 60,000 horse-power, a far larger amount than the other two companies are exporting. On that occasion Sir Adam Beck apparently represented the Government of the Province of Ontario, whose business it was to protect the Ontario purchasers of power: the Hydro-Electric Commission, who were bound to see that the municipalities had a sufficient supply of power; he also appeared as President of the Ontario Power Company, the exporters of 60,000 horse-power into the United States; and he also indirectly represented American consumers of power to the extent of $10,000,000, who insist that their contracts must be continued.

The wonder is that the Municipalities do not ask the Government to have a proper independent inquiry into the whole matter, in order that the whole situation may be clearly defined.

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Available now to individuals on all listed Canadian and American corporations at 50 cents each. Banks and Brokerage firms have used these Standard Card Reports for fifteen years.

Address
Standard Statistics Co.
47 West St., New York City

ANNUAL MEETING.

The Consumers' Gas Company of Toronto

THE Annual general meeting of the shareholders of the Consumers' Gas Company of Toronto, to receive the report of the Directors, and for the election of the Directors for the coming year, will be held in the Company's board room, 17 Toronto Street, Monday, the 29th day of October, 1917, at 12.00 o'clock noon.

ARTHUR HEWITT,
General Manager

Why Burden Your Wife?

If you wish to appoint your wife as executrix or trustee under your will, why not assist her to carry the heavy burden by appointing this Corporation as co-executor.

Your estate will thus have the advantage of the personal direction which she can give, and she will be relieved of the burdensome details necessarily involved in the management of any estate. Also she will receive invaluable assistance in regard to investments.

Our officers will be glad to confer with you in regard to the making of your will or any trust business you may have in mind.

THE
STERLING TRUSTS CORPORATION
HERBERT WADDINGTON Managing Director
80 KING ST. EAST · TORONTO
Telephone Main 2717

MONEY, BANKING AND EXCHANGE

IMPROVEMENT IN CLEARINGS OF EASTERN CITIES

On the Other Hand There is a Falling Off in West.

TOTAL HIGHER BY 25 %

Calgary Shows the Largest Percentage Gain, While Victoria, Quebec, and Ottawa Show Falling Off.

Bank clearing returns reported to THE FINANCIAL POST for the week ending Thursday last again show decided increases over last year. The total for the West was $124,690,212, an increase over the corresponding period in 1916 of $43,578,887; while in the East the total was $176,629,749, an increase of $16,534,999. For the Dominion there was a gain of $60,113,886, or 24.9 per cent. The city to show the largest percentage increase was Calgary of 89.8 per cent. the other cities to show large gains being Winnipeg, Brandon, Edmonton Regina and Moose Jaw. In the West, Victoria was the only city to show a decline. Of the Eastern cities. Kitchener showed a percentage gain of 47.5 per cent, Halifax 44.0, while Ottawa and Quebec showed a decline. For the year to date the clearings total $10.119 001,521, an increase of $1,959.340,318, or 24.0 per cent. Comparative figures follow:

WEEKLY BANK CLEARINGS.

(In comparison with same week last year.)

Eastern Cities.

	Oct. 26. 1917.	Change.	%
Montreal	$ 90 978 377 +	$ 12.687.858	16.2
Toronto	60.833.030 +	1,754.675	2.9
Ottawa	5.414.650 —	107.772	1.9
Hamilton	5.529.191 +	1,093.551	24.7
Quebec	3.686.788 —	748 852	16.9
Halifax	3.391.755 +	1,034 898	44.0
London	2.090 039 +	169.025	8.8
St. John	1.881.116 +	122 818	7.0
Brantford	805.998 +	96 359	13.5
Peterboro	658 350 +	108 619	20.1
Sherbrooke	719.996 +	119.561	19.9
Kitchener	640 459 +	204.259	47.5
Total, East	$176.629.749 +	$ 16,534,999	10.3

Western Cities.

	Oct. 26 1917.	Change.	%
Winnipeg	$ 85 263 235 +	$ 31 482.069	58.6
Vancouver	10 202 502 +	2 510 422	32.6
Calgary	10 802 826 +	5.109.405	89.8
Edmonton	3 362 430 +	1,105 010	49.1
Victoria	1 589 170 —	179.795	10.2
Regina	4 823 312 +	1.401.113	40.9
Saskatoon	2.689 888 +	739 363	37.9
Moose Jaw	1,941.793 +	547 532	39.2
Ft. William	780 389 +	140 379	21.9
Brandon	881.331 +	305.484	53.5
Lethbridge	1.341 109 +	317.194	31.0
N. Westm'ster	364 364 +	77.461	27.0
Medicine Hat	647.863 +	23.248	3.7
Total, West	$124 690.212 +	$ 43.578.887	53.7
Grand total	$301.319 961 +	$ 60.113 886	24.9
Yr. to date	$10,119.001,521 +	$1,959.340.318	24.0

U.S. BANK CLEARINGS.

Bank clearings in the United States for the week ending October 18 aggregate $6,367,465,000, against $5,843,831,000 last week and $6,668,221,000 in this week last year, a decrease of 4.5 per cent. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:—

(000's omitted)

	Oct. 18	I. or D.	Oct. 11
New York	$3,636,633	D 11.7	$3,280,243
Chicago	514,963	D 3.8	486,964
Philadelphia	340,354	D 3.6	330,140
Boston	255,444	D 1.8	223,375
St. Louis	155,587	I 23.0	144,117
Kansas City	176,668	I 39.2	172,929
S. Francisco	100,973	I 4.1	97,302
Pittsburgh	76,222	D 1.4	71,398
Cleveland	81,175	I 19.2	68,833
Detroit	58,895	I 9.7	47,945
Baltimore	48,269	I 6.5	46,364
Cincinnati	43,126	I 4.6	38,553
Minneapolis	42,569	I 12.4	45,130
New Orleans	43,891	I 20.4	42,911
Los Angeles	30,308	D 3.1	26,770
Omaha	43,237	I 16.8	44,536
Milwaukee	30,098	I 19.7	28,928
Atlanta	51,298	I 59.5	47,145
Louisville	23,169	I 7.0	18,764
Richmond	35,342	I 54.0	32,459
Buffalo	21,861	I 3.7	18,797
Seattle	29,863	I 34.6	27,428
St. Paul	17,772	I 9.0	17,107

MONEY.

The London rate for call money has remained unchanged all week at 4 per cent. The New York rate has ruled around the same level, with a spread between 3½ and 4 per cent. Money markets generally on this side the Atlantic remain comparatively dull and featureless, no urgent demand being experienced in any quarter. It is anticipated that ample funds will be available for all requirements in the near future, and that no marked fluctuation in rates is to be expected. This situation is due in the United States to the work of the so-called money committee.

The supply of time money on offer in New York is somewhat restricted, lenders being inclined to wait until they can judge how Liberty Loan subscriptions will affect the market. Rates for industrial money are 5½ to 5¾ per cent. for sixty days, ninety days and four months, and 5¾ per cent. for five and six months. Mixed money is 5 to 5¼ per cent. for sixty days, 5¼ to 5½ per cent. for ninety days and four months, and 5½ to 5¾ per cent. for five and six months.

The success of the Liberty Loan is assured. Books close to-day. Subscriptions were well over the three billion mark on Wednesday, and it is confidently expected that five billions will be raised. Notwithstanding, it is estimated that ten billions more will be needed before July.

In the course of his address to the Insurance Institute of Toronto this week, A. E. Ames, chairman of the Dominion war loan executive, indicated that while the loan would probably call for $150,000,000, double that amount is wanted.

"As you know," said Mr. Ames, "the Finance Minister has had from time to time to borrow, temporarily, from the Canadian banks many millions of dollars. These he has, so far, been able to repay from time to time through proceeds of loans and through revenues. The Finance Department now owes a very large sum to the banks, and it is necessary that the loan provide not simply sufficient to pay for costs of the war and credits for Great Britain for purchasing our produce and munitions, but also to pay off the Canadian banks. The Finance Department must keep itself sound with the Canadian banks, so that it can rightly ask and require from them temporary advances in very large amounts, to be again recouped them out of revenues and loans. While, therefore, it is essential that the objective of $150,000,000, which will, perhaps, be indicated in the official prospectus, should be raised, it is also most important that, while the Dominion-wide organization which is looking after the loan is in being, the utmost effort should be made to supply the Government with a full $300,000,000."

EXCHANGE

Interest in Canada continues to centre in the rate on New York funds. During the week sales were made as low as 15/16 discount to the buyer. A week ago the discount on New York funds was about ⅛. On Monday it dropped to 19/32, and on Tuesday to around ⅞. On Wednesday the low point mentioned was touched. Thursday the rate firmed to 13/16, and yesterday it was nominally ½. It is somewhat difficult to find the influences which are tending to strengthen the market. A number of factors are evidently at work, among which may be mentioned the recently completed arrangements for financing the wheat crop, which is tending to reduce the amount of exchange coming on the market.

Demand sterling has been practically unchanged at 4.75 3/16, with cables at 4.76 7/16.

Francs were steady in the forepart of the week, but have firmed up a little latterly, yesterday being quoted 5.77¼ for demand and 5.75¼ for cables.

Roubles, which were quoted at 14.00 and 14.25 a week ago, have been weaker. Yesterday's figures were 13.50 and 13.75.

LONDON COUNTY.

The terms of the absorption of the Ulster Bank by the London County and Westminster Bank became known recently. The capital of the Ulster Bank is £3,000,000 subscribed, £500,000 paid. The shareholders will receive two-thirds of one London County and Westminster Bank share, plus £2 10s cash for each share held, which means 133,333 shares and £500,000 cash.

Deposits in the Ulster Bank are in the neighborhood of £12,000,000, and, as the terms of the merger indicate, the bank is a prosperous one.

HOME.

The Minister of Finance has appointed H. J. Haney, president of the Home Bank of Canada, a member of the Toronto Honorary War Loan Committee, of which Sir Edmund Osler is chairman.

UNION.

Lieut. John Donald, reported as having died of wounds on July 3, was formerly chief cashier of the Montreal branch of the Union Bank of Canada. Lieut. Donald volunteered as a private at the outbreak of the war, and after being in France for two years obtained a commission.

MERCHANTS.

E. F. Hebden, managing director of the Merchants Bank of Canada, D. C. Macarow, general manager, and other officials, are in the West on a tour of inspection.

MONTREAL.

The Bank of Montreal announce that their temporary branch at Exhibition Park camp, Toronto, was re-opened on October 15, under the management of James Morris.

HAMILTON.

The Bank of Hamilton has declared a dividend of 3 per cent. on the paid up capital of the bank for the quarter ending 30th November, payable at the bank and its branches on the 1st December next.

OTTAWA.

The Bank of Ottawa has declared its regular quarterly dividend of 3 per cent. The annual meeting of the bank will be held on December 11.

ROYAL.

The Royal Bank announces that Frederick T. Walker, formerly manager of the Montreal branch, has been appointed manager of the New York agency.

HOW CONSCRIPTION WILL AFFECT BANKS

Arrangements Being Made For Equitable Application of the New Military Draft.

The Canadian banks are completing arrangements by which it is hoped to work out in an equitable and satisfactory manner the problem of staff arrangements to meet the drain of conscription. To what extent the banks may be called upon to contribute from their already greatly reduced forces has not yet been definitely decided but by co-operating through a committee of the Bankers' Association it is planned to distribute the demand for men equally over the different banks while each head office will endeavor so far as possible, in encouraging or discouraging applications for exemption, to retain the men who, by their experience, are the least dispensable at a time when trained men are especially valuable in their ability to control the inexperienced help being introduced.

So far as the applications for exemption are concerned they will be made in the military district where the bank employee is located. However, in the meantime medical examinations are being made and reported and after a survey of the whole situation the head office will endorse applications for exemption where the service of the applicant are regarded as indispensable to the efficiency of the service. Other grounds for exemption may also have the consideration of officials and in any event there will be no effort to discourage the application for exemption of individual members of the staffs on their own initiative.

Head office officials state that they will endeavor to reduce their staffs to the minimum which will still allow them to give that service which the agricultural, manufacturing and general business needs of the country demand.

BANKS USE MOVIES.

Unique Advertising Methods To Sell Traveler's Cheques.

Conservative methods of banking are being subject to many interesting changes in the United States. Recently there was printed in these columns an article showing how modern advertising methods were replacing the dignified announcements which have so long been recognized as the proper thing in the banking profession. But it remains for the movie machine to supply what is undoubtedly the unique feature of modern bank advertising with the progressive Americans. The Bankers' Trust Company of New York has staged a motion picture entitled "The Talisman" and the films are being distributed among bankers to aid them in increasing sales of A.B.A. travellers' cheques.

The picture is a very entertaining one and the advertising feature is kept in the background so that the interest of the audience is not lost. Banks report that the showing of these photo plays brings many people in to inquire about travelers' cheques and that the showings have proved good publicity for the general business of the institution.

AFTER THE WAR.

Sir John Aird Speaks of Readjustment in the West.

Sir John Aird, general manager of the Canadian Bank of Commerce, has been in Winnipeg this week conferring with Vere Brown, the superintendent of western branches. Speaking of after-war conditions, Sir John said the period of readjustment would take six to nine months, he thought, in Western Canada, after which the country would enter on a period of expansion and development.

FARM LANDS SELL.

Hudson's Bay Company Reports Increased Business for the Quarter.

The Hudson's Bay Company's land sales for the quarter ended September 30th show a further improvement, the quantity of farm lands sold being 52,400 acres, as against 40,300 in the corresponding three months of 1916, and the amount realised £190,000, in comparison with £127,800. Town lots continue to bring in only an infinitesimal amount. The total receipts for the quarter were £84,500, as against £59,000. For the six months to September 30th. 164.935 acres of farm lands were sold for £619,800, as compared with 85,426 acres for £275,400 in the corresponding period of 1916, while the total receipts for the half-year were £227,300, as compared with £135,500.

The six weeks from mid-November to Jan. 1 are likely to see a real pinch in supplies of refined sugar. The stock of raw sugars in the country is smaller than for years.

THE ROYAL BANK OF CANADA
INCORPORATED 1869

Capital Authorized - - $ 25,000,000
Capital Paid Up - - 12,911,700
Reserve and Undivided Profits, 14,324,000
Total Assets - - - - 300,000,000

HEAD OFFICE, MONTREAL.
365 Branches in Canada and Newfoundland.
Thirty-eight Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela

BRITISH WEST INDIES

ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown and Speightstown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain, San Fernando and Scarborough (Tobago); BRITISH HONDURAS—Belize. BRITISH GUIANA—Georgetown, New Amsterdam and Rose Hall (Corentyne).

LONDON, ENGLAND
Bank Bldgs., Princes St., E.C.

NEW YORK CITY
Cor. William and Cedar Sts.

BUSINESS ACCOUNTS CARRIED UPON FAVORABLE TERMS.
SAVINGS DEPARTMENT AT ALL BRANCHES.

Our Business

is to administer Estates and we have the necessary experience and staff to do it efficiently.
If you have appointed a friend as your Executor, we would suggest that you make a Codicil to your Will and name this Company as Managing Executor to act with him.
This will relieve your friend of the many details connected with the administration of your Estate and will insure the strict observance of your wishes.
Consult us about your Will.

Montreal Trust Company
Sir Herbert S Holt, President. A. J. Brown, K.C., Vice-President.
TORONTO OFFICE: ROYAL BANK BLDG.
J. F. Hobkirk, Manager

THE ROYAL TRUST COMPANY
EXECUTORS AND TRUSTEES
HEAD OFFICE, MONTREAL.
Capital Fully Paid, $1,000,000. Reserve Fund, $1,000,000.

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Authorized Capital .... $ 1,000,000.00
Subscribed and Fully Paid 750,000.00
Reserve and Surplus 500,000.00
Total Assets 15,000,000.00

Acts as Trustee, Executor, Administrator, Guardian, Agent, Etc.
By appointing this Company your Trustee and Executor or Financial Agent, you ensure expert and continuous service, and safeguard your Estate against mismanagement and loss.
Will forms supplied on request, free.
All business of a Trust nature transacted.

The most important document a person of large or small means is called on to prepare is his

LAST WILL AND TESTAMENT

It means the happiness and welfare of those most dear.
Ask for booklet: "Make Your Will."

CAPITAL ISSUED AND SUBSCRIBED $1,171,700.00
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Acts as Executor, Administrator and Trustee. Administers Real Estate.
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5% AND ABSOLUTE SECURITY
Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.
THE EMPIRE LOAN COMPANY, Winnipeg, Man.

A Tested Investment

For thirty-five years this Corporation has issued Investment Receipts called their

GUARANTEED INVESTMENT

The utmost satisfaction has always been the experience of those who have invested therein.
It is secured by first mortgage on improved property of double the value of the mortgage, and is further guaranteed by the Capital and Reserve of the Corporation. Booklet and full particulars on request.
An interview is solicited.

THE
TORONTO GENERAL TRUSTS
CORPORATION
Capital $1,500,000.00 Reserve $1,850,000.00
Head Office, 83 Bay St., Toronto Established 1882

NEWS AND VIEWS FOR MANAGERS

KEEPING EYE ON INSURANCE OF THE CUSTOMER

Increasing Stocks Should be Watched and Expirations Noted.

GIVING FARMERS ADVICE

Average Knowledge Embraces the Mortgage But Shows Little Understanding of Stock and Other Securities.

Lightning does not play favorites. When a bolt from the clouds struck the barn of a farmer near Newmarket, Ont., this summer it was without consideration for the unfortunate circumstance that the owner who lost his building and its contents had no insurance—although he thought he had. He was under the impression that he had made an arrangement with an insurance agent which protected him, but, as a matter of fact and evidently through ignorance, he had done nothing which gave him a bona fide claim for damages.

From this incident a branch manager, in discussing his relations with his customers, illustrated the importance of exercising care in regard to the insurance carried. He told me that in his opinion insurance was one of the most important factors in relation to the security in regard to both country and town accounts.

"I think the branch manager can do a great service for his customers and at the same time improve the security for advances in many instances by giving sound and careful advice regarding the insurance policy," said this manager. "Many of the farmers are ignorant as well as neglectful and thoughtless. They do not seem to understand that insurance is a straight business proposition and that they should religiously attend to the details of their policies, watching the date of expiration and at the same time keeping in view the amount of protection carried *in relation to the* value of the property involved. The merchants too are often neglectful after the same manner but here the danger is that stocks may be largely increased above the basis of the policy, with the result that there is not adequate protection. This has been particularly the case since the war-time advance in prices has set in and stocks have increased both in proportions and in relative value."

The advice of this manager is worthy of mature consideration. The position of the branch manager is one where he can give advice in such matters even where he may not have a credit risk. I have often found that the average person does not "buy" insurance but has it "sold" to him. For this reason he frequently fails to consider what his needs may be but rather how small a policy he can get along with; such a policy has its attractions from the standpoint of premiums but it is another matter when it comes to covering damages.

Advising the Farmer.

In the average agricultural community where the bank manager endeavors to place himself in the position of financial adviser to the farmer in regard to investments—whether his advice is asked for or not—he assumes a difficult rule. This is particularly the case in the older communities where the farmers are still lax in their business methods and have very little idea of investment values.

"The farmer in my district knows a mortgage and that is about the only investment that he is acquainted with," said a manager of thirty years' experience in a town situated in a mixed farming district in Central Ontario. "If he does not get a mortgage he usually gets "stung." He gets something real good or something real bad. He knows little or nothing about stocks and securities."

"Take the case of one of my customers who got interested in some local schemes not long ago. He put in $500 here in a motor company and $500 there in something else. I noted the entries going through and made up my mind that he would have to whistle for his money. Some time later when I had an opportunity I asked him why he had touched these fool propositions. I gave him some advice and it 'took' for the reason that he had already arrived at the opinion that he was going to lose his money. It was a case where he had been talked into the thing without securing advice."

On the point as to the reluctance of the farmer to ask the advice of the banker this manager told me that in his opinion it was partly because he did not care to discuss what he was going into—perhaps advised not to mention it—and partly because he might think that the banker would offer other advice and try to turn the investment to something which would benefit himself. He believed this attitude was often taken in cases where bonds or other securities were advised. In fact there were many farmers who were so ignorant of the standing of stocks or bonds that they were backward about touching the war loan and regarded the investor who followed the stock market as an out and out gambler.

"As a matter of fact" this experienced manager told me with a smile, "common sense should tell the farmer that the bank manager would not be likely to give him anything but conservative advice. We want to hold his account and we could not do so if he ever lost a red cent through our advice. The manager who made several mistakes in this connection would have to leave the community—he could hardly remain here thirty years."

The point that the manager is directly interested in safeguarding the customer in his investments is one which could be effectively advanced when advice is offered. A clear understanding will undoubtedly go far to bring about closer and more satisfactory relations in this connection. The banker with his business experience can do much to assist the farmer who has only a vague knowledge of the technical side of his financial affairs.

When Mines Were Popular.

The foregoing which refers particular to the farmers' investments has a bearing also upon the field of the banker in the business centres. There are many of those who by careful saving have gathered together a few hundred dollars who are not satisfied to get six, seven or eight per cent. on their money with good to fair security as the return warrants but who are attracted by some wild-cat mining or other get-rich-quick scheme which promises large but indefinite wealth over night. Bank managers can do much to guard against such investments if they can establish the proper relations with the customer.

During the days of the Cobalt boom immense sums of money were squandered by investors—if they could so be called—who knew little or nothing of what they were doing. They were charmed into a state of financial irresponsibility by the tales of the fabulous fortunes which some fortunate individuals were making. Bank managers at that time no doubt did much good through advising caution but for the most part public opinion was stampeded and little attention was paid to the danger lights even when they were pointed out. St. Catharines was one of the cities which was carried off its feet by the Cobalt wave. A banker tells me that after Maj. Leonard made his "killing" hundreds of thousands of dollars were poured into mining propositions of every kind and of course very few of them ever turned out to amount to anything.—J.W.T.

U. S. BANK DEPOSITS.

Savings Have Increased By $5,286,000,000 Since Outbreak of War.

If five billion dollars of deposits should be withdrawn from the national banks of the United States their deposits would still be 286 million dollars greater than they were at this time in 1913—the year before the outbreak of the European war.

It is significant that while American national banks have assisted so largely in the financing of the first Liberty Loan of two billion dollars, involving to a certain extent the withdrawal of deposits from these banks, yet the deposits of the national banks now, as compared with May 1, 1917, before the first Liberty Loan was announced, show an actual increase of 154 million dollars.

INCREASING SMALL CHANGE.

United States Mints Work 24 Hours a Day to Meet Demand

Increase in per capita circulation demands a corresponding increase in "small change." In the United States this need has been met by placing every mint in the country on a twenty-four hour a day basis. Until recently, under its ordinary working schedule, capacity had been large enough to take care of the demand.

Raymond T. Baker, director of the mint, announced that the issue of subsidiary silver coinage thus far this year totaled $16,551,000 or an increase of more than 800 per cent. over the corresponding period last year—in itself a new record—when the total of such coinage was $1,769,000.

Russian Purchasing Commission has ordered 1,500,000 pairs of boots to cost $7,500,000. This brings the total of boots ordered for American and Russia armies within the last week to 8,400,000 pairs.

BANKERS ANSWER CHARGE AGAINST BRANCH MANAGER

Head Officials Reply to Editorial in the Toronto Telegram.

BANKS ENCOURAGE LOAN

Statements Showing Different Steps Which Have Been Taken To Insure Success of Government Financing.

Leading bank officials have to THE FINANCIAL POST placed themselves on record in disagreement with the spirit of an editorial appearing in the Toronto Telegram, charging that branch bank managers in encouraging bank deposits would be inclined to discourage investments in the Dominion war loan. The editorial is eminently unfair and unjust to branch managers and one prominent official makes the statement that "it is to be regretted that such ill-informed persons attempt to write on financial matters." The editorial under the heading "Canada's Banks Can Win the Big War Loan Drive," reads as follows:

> "Success or failure in the career of a branch bank manager is largely measured by the aggregate of deposits carried in the savings account of that branch bank.
>
> "A tendency as fixed as the law of gravitation operates against the enthusiasm of depositors who seek to take their money out of bank deposits that pay three per cent. and put that money into war bonds that pay five per cent. and upwards.
>
> "Branch bank managers are not unpatriotic. The head office authorities of every bank should put themselves behind Sir Thomas White on the crisis of Canada's effort to float a mighty war loan. The branch bank manager who seeks to keep savings on deposit at three per cent. instead of in war bonds at five per cent or six per cent. is working against the interests of the bank. . . .
>
> "If the war loan goes up to $300,000,000 mark and beyond the glory of the war loan will belong in part to the fact that the banks have followed the inspiration of patriotism."

Bank officials unanimously disperse the idea that the encouragement of bank deposits exerts any ill effect upon the raising of Canadian war loans, and rather take the stand that the encouragement of individual savings in the banks strengthens the hands of what is really the source of the bulk of the funds. In addition, bank officials point to the manner in which the banks have come to the support of the loans. This support consists not only in the actual underwriting of a large part of the loan by the banks, and in arranging loans to purchasers, but also in the forming of advisory committees composed of the country's foremost financial men to assist the Finance Minister.

E. L. Pease, managing director of the Royal Bank and president of the Canadian Bankers' Association, says: "The ability to secure deposits is not regarded by the executive of a bank as the highest qualification of a branch manager. Success depends more upon the exercise of sound judgment in the matter of lending the funds of the bank. No branch manager would be censured for the loss of deposits incurred through investment in war bonds. All the banks are naturally looking for a decrease in their deposits in this connection."

Banks Offer Encouragement.

C. H. Easson, general manager of the Standard Bank, pointed out that the banks have done and are doing everything in their power to make the war loans successful. This, he stated, was evidenced in the fact that the banks offered to underwrite a large portion of the new loan, and also in the fact that committees of bankers are always in touch with the Finance Minister in an advisory capacity. Dealing with the matter of interest, Mr. Easson pointed out that while the war bonds returned approximately 5 per cent. as compared with 3 per cent. on bank deposits, the two matters were entirely different. The war bonds were regarded as an investment while the bank deposits were savings. Investors were at liberty to draw out money from their accounts for the purchase of war bonds and the banks encouraged this form of investment. If the money was left in the banks, Mr. Easson pointed out that it served the purpose of strengthening the hands of the bank to support the loan. He stated that bank officials were fully aware that the money invested in the war loan returned in due course to the banks, and in its circulation aided in strengthening commercial resources.

M. J. Haney, president of The Home Bank, states that the banks realize the biggest duty now is to bring all possible support to the raising of war loans, "The encouragement of deposits strengthens the hands of the banks, who in turn support the loan, and," he added, "it is up to us to develop our

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Campbell Moves Up

WHEN the Head Office needed a man to fill the vacancy in the branch at L——, it chose Campbell. The eyes of the management had been on him for some time, approvingly.

Campbell's promotion was not at first regarded with very much liking by other branch managers of greater years. The bulletin, however, on the appointment sent out by the General Manager, made them think. The bulletin read:

George A. Campbell goes to L——

MR. CAMPBELL was selected for his new post because of his fine record as a business-builder. He has been manager at several branches, some of them quite small; but, in every instance, he has at least doubled the volume of business of his branch in a very short time.

We have enquired into his methods. At first we thought it might be just personality, but we have other managers who excell Mr. Campbell in this regard, and whose records go to prove that personality alone will not attract business, though it counts for a good deal.

In the end we found that Mr. Campbell **studies the other man's business**, particularly the business of his customers. He makes it a duty to know a good deal about the businesses and problems of his customers, so that he can talk with them easily and intelligently. Also, by his knowledge of markets and tendencies in relation to customers' businesses, he has been able to give excellent advice.

We have found that Mr. Campbell's manner of informing himself is exceedingly simple: **he reads the class newspapers read by his customers.** Also he files away, in envelopes, things he comes across in his reading likely to be interesting to his customers or valuable to himself. We find that Mr. Campbell makes it his practice to drop in on customers and others to get and give special information.

This exhibit of interest and knowledge has been a magnet, attracting to the branch of which Mr. Campbell is manager many new accounts.

L—— is a difficult branch of our Bank. The conditions there are abnormal. Competition is exceedingly keen. We have felt it necessary to replace Mr. Todhunter, whom we have called to the Head Office, with the best man available, and Mr. Campbell has commended himself to us as the right man for L——.

We issue this bulletin to our managers and their staffs, not only as news, but also for what it may contain in the way of suggestion and encouragement to others.

The General Manager failed to name the business papers read by Mr. Campbell. They include:

Canadian Grocer (Weekly) - - - - - - - $3.00
Hardware and Metal (Weekly) - - - - - - $3.00
Dry Goods Review (Monthly) - - - - - - $2.00
Men's Wear Review (Monthly) - - - - - - $1.00
Bookseller and Stationer (Monthly) - - - - - $1.00
Sanitary Engineer (Semi-Monthly) - - - - - $1.00

IF any Branch Bank Manager is moved to follow the example of Mr. Campbell of the —— Bank, let him instruct us to send him regularly the papers named. Their cost is as nothing in comparison with their potential value.

Address correspondence to

THE MACLEAN PUBLISHING CO., LIMITED
143 University Ave., Toronto, Ont.

REAL ESTATE AND MORTGAGES

SURVEY OF WEST SHOWS BUILDING LIVELY

Farmers Are Reported to be Erecting New Homes in Large Numbers.

SCARCITY OF LABOR

Operation At Many Points Are Retarded By the Lack of Labor—Would Have Been More Extensive.

Reports on building conditions, secured by the Winnipeg *Telegram* from many centres throughout Western Canada, are all of an optimistic character. Farm improvements have been general; new elevators of large capacity have sprung up at many points; stores and new branch banks have been erected in almost every town.

In Calgary the present year has been the best in regard to building that has been experienced for practically four years and already permits total more than $2,000,000. Among the important buildings under way or about to be erected are the $1,500,000 mill of the Alberta Flour Mills, Limited, which will have a capacity of 6,000 barrels a day; the armory, on which $283,000 is being expended; the Mackie or Lancaster block, costing $100,000; the machinery repair and tractor construction shop of the Grain Growers' Grain Co., which will cost approximately $100,000 and the Rumeley warehouse, a $20,000 undertaking.

Edmonton.

Building conditions in the city of Edmonton during the summer months have been particularly active, considering the general conditions, permits for 1917 amounting to $222,200. The building by-laws of this city have been waived, or rather ignored, for the time being sufficiently to allow the erection of stores and additions in the business part of the city on what is termed "a temporary basis." On Jasper avenue, the main business thoroughfare, several one and two story stores have been erected and others are still in the course of construction under these conditions.

The principal buildings erected this summer comprise two schools for the Edmonton public schools board, two for the separate schools board, one apartment house, the Leamington Mansions, the Blackburn, Powell, Rossum & Lee buildings, which comprise a series of retail stores and offices on the main thoroughfares. The other building operations in the heart of the city are made up of additions to already existing buildings and new auto garages.

Moose Jaw.

Building operation in Moose Jaw have not been on the scale that characterized the boom days, but they indicate substantial progress. To date, permits have amounted to $245,210. This, however, does not include the money spent by the Canadian Northern Railway on their high level bridge, which will carry the railway from the present terminus on South Hill into the city and on which $100,000 has been spent. The principal building erected has been the Providence Roman Catholic hospital, which has just been completed at a cost of $150,000.

Yorkton.

Over $70,000 has been invested in new buildings in the town of Yorkton during the past two seasons, $40,480 of which represents this season's record. During 1916 building permits were issued to the value of $36,615, which included $15,000 for the new Sacred Heart convent, completed last fall. The balance of the permits largely represented new dwelling houses and additions to existing buildings.

Coincident with the development of the motor industry and the ever-increasing popularity of the auto, Yorkton's retail trade has been rapidly increasing, to cope with which two large blocks of retail stores are now under construction, which will add five new stores to Yorkton's commercial section. Two of these, erected by Levi Beck, are now almost ready for occupancy, and three more, being erected by Harry Bronfman, are being rushed to completion as quickly as possible.

Quite a number of new dwellings have been completed this season, but the demand for these far exceeds the supply.

Macleod.

There has been but one new building of importance built in Macleod during the summer. The reason for this is that during the busy days in 1913 and 1914 too many houses were built and when the C.P.R. removed the divisional point—or most of the works—it took a lot of residents away. To this were the many who enlisted and moved their families elsewhere, leaving a lot of vacant houses and there was no need of any further investment for residential purposes. The Macleod Flour Mill Co. has built a large addition to their elevator which cost at least $4,000. Most of the vacant buildings are now filled, as there has been a heavy influx into the town this summer and a vacant house is now hard to find. In the country the circumstances are the opposite. The farmers are building a lot of fine barns and other out-buildings such as machine sheds, buildings that were greatly needed. The barns are mostly of the large type from 100 to 180 feet long with a proportionate width. Grier Bros. have built a barn 180 by 90 feet, three stories high, that cost $5,000, and has all up-to-date equipment. The cost of new buildings such as above mentioned would be more than $100,000, and there would have been a number more had there been sufficient skilled labor. Most of the owners are installing their own lighting plants.

Other Points.

About $10,000 has been expended on new buildings and improvements in the Indian Head district during the past summer, mainly for improvements to farm property, including houses, barns and granaries.

At Pincher Creek, Fraser McRoberts & Co. have erected a departmental store on the old Hudson's Bay Company's site. T. Lebel & Co. have rebuilt their store, destroyed by fire two years ago.

About $35,000 was expended on new building in Yellow Grass, Sask., and vicinity.

The report from Grenfell, Sask., is that $80,000 has been spent in the district mostly on farm houses and barns. If men could have been got to do the work, much more building would have been done. The same story comes from Gilbert Plains. All vacant stores are now filled and everything looks prosperous.

From $15,000 to $20,000 has been spent in Macgregor and district this year on building and improvements.

FARMS CHANGE HANDS.

Ontario Estates Bring Good Figures in Realty Market.

A 100-acre farm in Township of Mono was sold by M. J. Leighton to W. J. Irwin for about $8,000 recently. Mrs. McCutcheon has sold her 100-acre farm on the 4th line, Caledon for $4,500.

Frederick Wolf of Toronto has purchased 110 acres in Eramosa Township from R. H. Wansborough.

The Wm. Smellie homestead on the town line between Halton and Peel was sold recently to Wm. Thompson of Toronto for $19,800 or at $100 an acre.

THE FINANCIAL POST
OF CANADA

President - - - - - - JOHN BAYNE MACLEAN
Vice-President - - - - - - - H. T. HUNTER
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Toronto, October 27, 1917.

ROWELL AND BALFOUR.

N. W. ROWELL, K.C., new President of the Council in the reorganized Union Cabinet, may or may not be a successful executive. He has yet to be proved. But there is one great thing in his favor. He is practical and studious. He found that the only way to understand the war's social and business situation in Europe, was to go there. He went. He visited the British and French fronts. He talked to all classes and conditions of people. He came back a strong conscriptionist, with a practical win-the-war policy.

Borden and the Imperial Government made a great mistake when they did not invite Laurier to accompany Sir Robert to Europe, that he might study personally the situation.

Many of us regarded Mr. Rowell as more or less of a small party politician, but his trip to Europe raised him very much in the estimation of thinking men, particularly when he was contrasted with Mr. Balfour, who, though head of the British Admiralty, stated that he had been there for fourteen months, had never seen the Grand Fleet, had never visited an ammunition factory and had never seen the Naval Base. No wonder things were rotten in War Administration in London.

THE BUSINESS PRESS.

LAST week Governor Whitman of New York State broke several engagements and travelled all the way to Chicago to address the Associated Business Papers of the United States and Canada. He said he did so because he regarded the Business Press as the established channel of business information and as New York State is the largest business and financial centre of the world and he desired to place the views of big business of New York before the business interests of the entire United States.

The Business Press of Canada has been quietly performing great work for Canadian manufacturers, business men and financiers, since the war broke out. Canada, for example, has the largest munitions plant in the world. The first articles showing how to adapt an ordinary machine shop to shell making were published in CANADIAN MACHINERY, and were reprinted by the Australian, Indian and Russian Governments for the information of their manufacturers.

THE CASE OF THE RAILROADS.

WHAT does the Railway Commission intend to do for the railroads? The question is quite in order following the statement of the case of the Grand Trunk, by Chairman A. W. Smithers, presented in last issue of THE FINANCIAL POST.

In view of the fact that the railroads have shown conclusively that increased rates are imperative to the maintenance of efficient service and in view of the fact that the Manufacturers' Association, whose membership includes the interests paying the big freight bills, is on record as being willing to agree to any reasonable increase which will result in improved service, is it fair that the whole industrial fabric of the nation should be jeopardized because of the objections of the Western farmers? The wheat producer who is getting $2.21 for what he would be glad to get $1.00 for in normal times objects to paying one cent more to have that wheat delivered at the market which it must reach before the money is actually forthcoming.

Nor is it only a case of the railroads in themselves. The situation is one which will soon reflect upon the investment standing of the country and the seriousness of Mr. Smithers' attitude in that connection can best be understood when it is stated that he is chairman of the English Association of American Share and Bondholders and that it has been estimated that he has been an instrumental factor in placing in this country investments totalling about $300,000,000.

There never was a time when greater railway facilities were needed in Canada and there never was a time when the roads faced greater handicaps in providing that service.

COMMISSIONER O'Connor reports that there is a big increase in the amount of foodstuffs in store as compared with a year ago. Such reports are likely to lead to a public agitation that supplies be released to reduce prices. On the contrary these stores should give confidence as reducing the chances of a future shortage and at the same time representing supplies which may be exported for the use of our own and Allied armies. We cannot have too much food in storage as this time.

WHAT BUSINESS MEN ARE DOING TO HELP WIN THE WAR

By James H. Collins, in *Printers' Ink.*

A MANUFACTURER needed some special equipment on which it was hard to get deliveries. The Government had been taking most of that apparatus. Primed with facts and figures to show the injustice of this situation, he hurried to Washington and confronted an official who had authority to order a release on what he wanted. This official was a business man from his own industry, serving as an unpaid volunteer in a Government department.

The manufacturer started in upon his prepared argument, but the other man cut him short.

"You're just as much a Government official as myself in these times," he said. "Tell me whether you think you ought to have this stuff."

"Why, let me give you a few figures——" the manufacturer went on.

"It isn't necessary," answered the volunteer. "Just put yourself in my chair here for a moment. You be the Government official, and tell me if you ought to have that stuff ahead of other concerns."

"Oh, the devil!" was the visitor's reply. "If you're going to put it that way—No! We don't need it that bad. Good day!"

This story illustrates a certain new spirit at Washington.

All summer, business men have been coming to the capital, sometimes with apprehension, and usually with resentment at what they supposed was Government interference with business, and frequently in hostility. But invariably they find in Washington something that leads them to enlist on the Government side. That something is in no way mysterious—it is simply understanding of what the country confronts in war times, which is quickly transformed into willingness to help, even with sacrifice.

At the Food Administration lunch table the other day, Dr. Wilbur, president of Leland Stanford University, expressed it humorously. The Doctor is a physician and is serving as a volunteer under Mr. Hoover.

"Just to show how far I am willing to go in serving my country," he said, "yesterday I got the food pledge printed in a patent medicine almanac, and to-day I addressed a delegation of Christian Scientists!"

When the sugar situation began to worry the candy makers, a woman in the East who has built up a large chain of candy shops went to Washington to see how changed conditions would affect her interests. After an hour's talk with a Food Administrator, she went back home and laid out a new policy on her products. Sugar is only one of many ingredients available for candy. In England, it is said, the confectioners have succeeded in continuing their industry with only thirty per cent. of the sugar consumed in peace times, by substituting cocoa, chocolate, fruits, nuts, arrowroot, honey, syrups and other materials. This gave the woman manufacturer suggestions for a line of conservation candies.

Manufacturers See a New Light.

There is nothing especially remarkable in the spirit of co-operation that business men catch in Washington—the remarkable thing would be to find them going away from Washington without it. For, with the first view of business problems as they are centered and reflected at the capital in these times of adjustment, they get entirely new views.

Some weeks ago, representatives of the retail grocery trade met at the Food Administration. There were men who could speak for the small retailer, the large city grocery establishment, the chain store and other branches of this trade. Merely to bring them all together was something in the nature of an experiment.

"Come and see the lion and the lamb lie down together," said one man who understands grocery conditions.

"Yes, they'll lie down together—until the lion gets hungry!" was the comment of a trade skeptic.

But the lion did not get hungry! Whatever feeling these representatives may have brought, as competitors, quickly disappeared, because all were confronted with a problem that none of them could have anticipated. As a result of last spring's war-garden campaign, the United States was about to harvest the largest crop of Irish potatoes it has ever raised. These potatoes had to be sold at a price generous enough to give growers a profit otherwise—no big crop next year! And the price had to be low enough to encourage the consumer to eat potatoes freely, saving wheat and meat for export to our Allies, and also to prevent labor troubles sure to arise if food becomes too costly during our war crisis.

"Now, you gentlemen are the Government, you know," the grocers were told. "Just tell us what you think ought to be done in this matter for the good of the country."

The lion and the lamb went into a two-day conference, forgetting all trade differences. They laid out a two-months' national drive on Irish potatoes to start the crop moving to the best advantage, pledging every retail store in the country. And when they found that a national war price, figured to the closest margins, was impossible by reason of the many local conditions to be met in the potato crop, they settled upon the plan of a standard war profit to be added to the local price everywhere, and based on differences in the cost of doing business in grocery establishments of different kinds. In effect, somebody had to make a business sacrifice. Should it be the farmer—the consumer—the distributor? The distributors were the ones best fitted to wrestle with this problem for the good of the nation—and they assumed the burden themselves.

Business men are learning in Washington to bear, not only the burdens of the nation, but those of other business men.

Among the first men mobilized on food saving were the hotel proprietors. Almost the first item in their menus that came up for revision carried a problem—that of veal, it was not enough to eliminate this delicacy from the bill-of-fare, for farmers would still be under the necessity of selling hundreds of thousands of veal calves to the packers because they cannot afford to raise them at the expense of their dairy herds. So, witness the hotel men's excursion into a strange new field, with their "Buy a Calf" movement, under which individual bonifaces, working through their trade associations, pledge themselves to buy calves in

Continued on page 11.

A BUSINESS MAN RUNNING A NATIONAL WAR MACHINE

A Sketch of Baker, the American Secretary of War—A Quiet, Hard-working, Clear-thinking Man of Executive Ability.

ONE of the biggest jobs in the United States at the present time is that of the Secretary of War. Newton D. Baker, ex-mayor of Cleveland, who is holding it, is an unobtrusive little man who works hard and long, and has failed so far to win public approval or attention. He is a thinker, a doer, a keen executive, but absolutely without magnetism or a flair for publicity. Consequently he has not been elevated to the position of a national hero as he might easily have been, had he shown any tendency to rattle the sabre or behave as a war lord, even of the democratic persuasion, should behave. However, those who know something of the inside story of war developments at Washington are beginning to see in Baker a real force. Edward G. Lowry discusses him in Collier's in a very favorable light, terming him "the emerging Mr. Baker." This Lowry estimate is made up largely of a review of the Secretary's opinions, but the following bits of information are supplied.

"What are you interested in—have you any special interests?"

"My job."

"But before you had this job?"

"My job in Cleveland. I have never been interested in anything but the work I was doing. I have always had too much to do. I never had the discouragement of looking for work nor any leisure between jobs. When I began to practise law in Cleveland my senior partner became ill and I had unexpectedly a lot of work thrown on my desk. Then I became associated with Tom Johnson. Tom was a dynamo. He could find more work for a subordinate to do than any three men could do. He kept me busy. When I became mayor thousands of people came to the mayor's office as to a father. They told me their troubles, and I tried to help them. I married them and buried them and visited the sick and the poor. After the day's work in the office was done I would go into one of the foreign quarters, or to some meeting, or to see a sick family, or a man or a woman out of work and in distress."

Working day and night, as Mr. Baker does, is no new thing to him. He has always done it. It doesn't tire him or wear on him. He has never been sick a day in his life. He has never been kept indoors by illness. He has a perfect digestion. That keeps him from fretting, from worrying, from losing his temper and his poise, and enables him to keep steadily working without haste, waste or friction. He never takes any exercise, but he seems to get on all right without any. He doesn't advise anybody to follow his example, however. It just happens so that he doesn't need exercise to keep well.

"What do you read?"

"I try to read everything. I really do think I have read as much and as widely as any man of my age. I don't think my reading has been as wide and as varied as Colonel Roosevelt's, but I don't know anyone else in my acquaintance who has read more. When I was a student at Johns Hopkins I lived in a house with a number of men who were studying widely different subjects. I became interested in their subjects, and that led me to read about them and to broaden my reading. It is a habit I have kept up."

A quiet, modest, unassuming, simple, selfless, sober-sided, serious-minded, earnest man who is doing his job just as well as he knows how. He is a competent, intelligent man. His mind has an edge. His brain is well furnished. The mental engine is there, and it functions steadily and frictionlessly. His chief asset as a public servant, I venture to allege, is his moral character. This is a more valuable and useful possession, a more trustworthy attribute than brilliancy.

He has not disclosed a powerful, penetrating intellect of "flashing impulses," but he has a sound, good mind. He contends daily in the War Department with an almost impossible, impractical organization. The power and responsibility in that archaic scheme of things are not intelligently placed. But Mr. Baker runs his job; it does not run him. Too infrequently can that be said of Cabinet officers.

It is not possible to erect Mr. Baker into a great heroic figure forging thunderbolts of war and launching them with majestic mien against a cowering and hated enemy. That is not his style. Neither is he the negligible quantity and colorless apparition some persons suppose to be rattling aimlessly and helplessly about in the Secretary of War's chair. He is not the greatest man in the world; but neither is anyone else in Washington—in the Cabinet.

He is a confessed pacifist and has no lust for fighting. As I make him out he is the same type of pacifist as Lloyd George and Albert Thomas, French Minister of Munitions, were before the war. Yet they are "doing their bit." Mr. Baker not only has no lust for fighting, but he does not believe that a man inflamed with the lust to kill makes a good soldier. His outlook toward the war seems oddly alike to me to that of the British private soldiers I have talked with in France. They have no illusions about the bitter business they are engaged in. Warfare has for them no glamour. I think I can put their thought in two words: "Never again." They know what the German menace is. They have seen it. They know the war must be fought through at whatever cost if the world is to be free. But the men back of the bases loading Maconochie rations on trucks or counting picks and shovels and boots as well as the men in the front-line firing trench are doing their work in the same spirit—a spirit of dogged and splendid resolution—but they make no pretence that they enjoy it and that it is glorious. I can count on my fingers the soldiers of France and Britain I have met on the western front who look upon the war as a great adventure. The gay French are not fighting gayly. They are fighting terribly and for their lives. They are fighting a monstrous plague of government that will suffocate the world if it is not destroyed. Baker says we must see the business through; that we must prepare on a great scale and steel our hearts and minds for years of endurance and struggle if the enemy shall hold out that long. At least, he is not like so many of the odd, superficial, strangely detached minds in authority in Washington who see in this colossal derangement of society only a great brawl. He has glimpsed the meaning of what is going on in the world.

He has a simple, clean mind and heart. He is doing the best he knows how. He has not made any grave mistakes. He does not underestimate his or our task. I do not wish to appear in print as a champion of the Secretary of War, but simply to tell about him. This is no time to carp and rail at him. I don't know whether he has the stuff in him, the fibre and substance of mind and spirit to continue to manage coolly and intelligently the important affairs intrusted to him should things go badly wrong. He is making good now. He is master of the forces he is directing. If and when the time should come that he is no longer master; if his purpose should become infirm and his vision clouded, he would have to go. I don't mean dismissed by the President, but swept away by the irresistible currents and powers and influences that underlie and sway this great world upheaval. Dozens of "strong men" in Europe have gone that way since August, 1914. It would be easy to call the roll of soldiers and ministers who have gone down.

That time is not in sight for Mr. Baker. He is not and has not been oppressed or diminished by the men about him or by circumstances. He has the confidence and the willing subordination of the men who know him and work with and for him. He is more intelligent, has a better mind, than any of them I know. Some of the soldiers do not always understand him and the workings of his mind, but I do not think any of them who is of any consequence distrust him.

Indeed, I venture to say that Mr. Baker has grown in stature since we went to war, in the sight of those who have come in contact with him and who have been most familiar with his actions and decisions. There is an appealing quality about him, possibly his simplicity and selflessness, that wins the respect and affection of those closest about him. He seems himself to have a limitless respect and consideration for fellow human beings merely as such; he takes them seriously. The other night a new stenographer, a boy, was sent to the War Department and assigned to the Secretary's office. He came early after dinner and took his place in the outside office where the typists have their machines. The offices were apparently empty. Presently a bell rang, and the lad went into the inner office to see what was wanted. The man at the desk got up and crossed the room with outstretched hand. "Are you the new stenographer? My name is Baker. What's yours?"

You may think that the simple human friendly thing to do, but you don't know Washington if you think many others in high place would have done it.

"A Human Little Cuss."

Mr. Baker told the Military Committee of the House not long ago, at a secret hearing, his political philosophy:

"For twenty years I have followed a political philosophy which I think is vindicated by its results. I have done what I thought was right, explained it to those to whom I was accountable, and, so far as I can recall, they have always both welcomed the explanation and approved the action."

Mr. Wilson is reported to have said: "What I like about Baker is that he doesn't tell me a thing twice. When he has told me something he gives me credit for enough intelligence to understand him without going over the whole thing again."

A reporter who covers the War Department told me: "Baker is a human little cuss. I like him. I think he's got the goods."

So do I.

In another year we shall all know, for events will have appraised Newton Diehl Baker, aged forty-five years, at his true value.

PERSONAL

SIR JOHN AIRD, general manager of the Canadian Bank of Commerce, has been in Winnipeg this week discussing the affairs of the bank with Western officials.

MAJOR HUME BLAKE, who has been serving with the Pensions Board in England, and who, it is announced, is returning to Canada on short leave, is a director of the Union Bank of Canada. He is also vice-president of the Manning Cold Storage Company.

JOHN WARDLE, commercial manager of the Metropolitan Railway, who has been appointed by Lord Rhondda to control cold meat storage and inland transport of food, was for some time connected with the Grand Trunk Railway in Canada and afterwards in England.

LT.-COL. SYDNEY CHILTON MEWBURN, the new Minister of Militia in the Union cabinet, has come to the front because of his talents for organization which have been displayed in connection with the mobilization of the Canadian Military forces. He belongs to the legal profession, being a member of the firm of Mewburn, Ambrose, Burbidge and Marshall of Hamilton, but he has played a considerable part in the industrial and business affairs in the Ambitious City. He is vice-president of the Zimmerman Manufacturing Company and a director of the Tuckett Tobacco Company, the Hamilton and Barton Incline Railway and the Hamilton Stove and Heater Company.

ALFRED WALDRON SMITHERS, chairman of the Grand Trunk Railway, whose strong and interesting views regarding the railway and investment situation in Canada were printed in the last issue of THE FINANCIAL POST, has been one of the most important individual factors in bringing British capital to this country. It is reported that investments which he has influenced amount to about $300,000,000. In view of this and the fact that he is chairman of the English Association of American Share and Bondholders it will be appreciated that his fears regarding the future credit standing of the country if the public ownership propaganda is carried to the extreme are significant and founded upon a close and intimate understanding of the whole situation.

CURRENT OPINION

THE NEED OF THE RAILROADS.

N.Y. *Financial World*

One of the most serious questions occupying the attention of railway officials is how they are going to raise money which the additional calls on the services of their properties imperatively demand. This is not alone their problem but in its proper solution the National Government, the industrial and mercantile interests of the country, the farmer, the tradesman, and the wage earner are as vitally interested for none of them can afford to see the machinery of the railroads in this critical period of our country break down for want of urgently needed capital.

Throughout the year the railroads have put off from time to time the issuance of new securities or new loans. But one road has issued stock since the year began and only a few have done any large financing and this mostly through short-term notes. All have faced the solid wall of opposition which practically prohibitive interest rates have raised in their path. As time has gone on our Government's own heavy financial requirements have added to their difficulties. Though they need money badly they can turn to no one and get it, however good may be their credit.

Still the railroads must not only be kept going but they must be helped along in adding to their facilities in order that they may keep pace with the unusual war pressure upon their facilities. For them to slip back in efficiency in the slightest degree will only result in an impairment of the economic machinery, affecting not only our commercial progress but proper maintenance of transportation facilities for conducting our war.

SLIDING SCALE OF PROFITS.

Canadian Finance.

The present price for wheat, fixed by the Dominion's Board of Grain Supervisors and by the United States Food Controller, is 51 cents more than the price suggested by the Canadian Council of Agriculture in reply to Sir George Foster's proposal of some months ago.

Undoubtedly it gives a liberal margin of excess profit—such being considered necessary by the Board of Supervisors in order sufficiently to stimulate further production. Where the farmer is in danger of being inconsistent is in accepting this war bonus as a matter of course, still insisting that Eastern manufacturers should be forced to forego any vestige of similar stimulus. The major part of abnormal manufacturing and trading profits should be repayable to the nation through taxation. But to those who urge that all such excess profits be so returned, it may be pointed out that (human nature being what it is) it is in the public interest to encourage increased war-time production. A practical difficulty in the way of a price-fixing so rigid as to eliminate all excess profits arises from the fact that such a course would allow no profit whatever to many smaller or weaker firms. And for increased war production it is nationally necessary at this time to secure a survival of others than the fittest.

THE WEST IN THE CABINET.

Grain Growers' Guide.

Western Canada is fortunate in the men selected in the new cabinet. No man ever has the confidence of all the people, but judging by the recent election, Premier Sifton of Alberta and Mr. Calder of Saskatchewan possess the confidence of the people of their provinces in as large a measure as any person reasonably could expect in the day of party politics as it is played. Both men have records of administration in their own provinces which have demonstrated their ability to administer the departments of which they will have charge at Ottawa. Both of them are imbued with the Western spirit and are radicals in the big policies in which the West is peculiarly interested. It is unfortunate that Hon. A. B. Hudson was not also included.

T. A. Crerar, for the past ten years President of The Grain Growers' Grain Company, and more recently President of the United Grain Growers, Limited, will be Minister of Agriculture in the new government. Mr. Crerar had no desire for his new office. He had a larger work to do in the West. He was urged, however, by some of his colleagues as well as by Sir Robert Borden that it was his national duty to enter the nation's service at the present time. Under the circumstances, he felt he could not honorably decline the responsibility. Mr. Crerar has a ten years' record of achievement equalled by few men. For the past decade he has been in the thick of the fight which the organized farmers of the West have waged for better conditions. On every front he has played his part and it can safely be said without disparagement to others that no one individual has contributed to the success of the organized farmers' movement in the prairie provinces in the same measure as T. A. Crerar. If his new position necessitates him leaving the organized farmers, it will be a loss difficult to replace. It will be the hope of the organized farmers that when the war is over he may again return to his work in the West. At this particular time the Minister of Agriculture is second in importance only to the Premier in a federal government. Upon the farmers of Canada devolves the necessity of providing food for the Allied armies, and it is the duty of the Minister of Agriculture to give the farmers every assistance and encouragement possible to produce that result. Mr. Crerar will bring to the Department a wide experience, clear judgment, intelligent sympathy and a genuine democratic outlook. From his past record we may be sure that he will not only assist farmers to produce more, but also to ensure that they will get a reasonable price for what they do produce.

THE IMPORTANCE OF SHIPS TO CANADA

Water Route Could be Made the Dominant Factor in Transportation—Japan May Feed America.

Written for THE FINANCIAL POST by Agnes C. Laut.

WASHINGTON.—When it was decided to admit Canadian vessels on the Great Lakes to trade to and from American ports, I mentioned that it was likely the privilege would be extended to trade on the sea coast. The Marine Committee of Congress has just reported recommending the admission of foreign vessels to trade between United States ports on the sea coast as well as on the lakes. When you consider that for every soldier sent to France, there must be sent five tons of munitions, supplies, food, clothing, tenting, equipment and firearms, and that the United States plans to have at least one million—it may be, two,—men in France by 1918, one need hardly ask why foreign vessels are admitted here. War has opened the gates closed soon after 1812. Don't mistake the import! Foreign vessels have always been at liberty to carry cargoes to a United States port and from a United States port. What they could not do was carry United States cargo from a United States port to a United States port.

The United States Government has an enormous shipbuilding programme, and within a year will have as great an ocean tonnage as England had before the war; but all vessels are simply—as one great firm put it—being grabbed by the Government, either for troop transports, or for supply transports. Traffic is blockaded on the railroads by war demands, and of the great fleets built for Panama, hardly six ships remain on the Panama route. Factories are short of coal. Builders are short of lumber. Texas and the Pacific coast are being cut off as they were before the day of the railroad; so the coast is thrown open to foreign carriers in the hope that lake vessels too frail for the Atlantic voyage in war, and neutral vessels like those of Norway and Denmark, which the United States Government will not permit to carry cargoes to neutral countries, will come in and relieve coastal traffic.

Water Versus Land.

It is hard to exaggerate the importance of this concession. You can, for instance, carry a ton of freight from Seattle to New York by sea cheaper than you can ship that ton by rail from Los Angeles to San Francisco. Fruit rates by sea from the Pacific coast are only 40% of rail rates. Lumber that sells from $15 to $20 in Texas, sells at $59 to $60 in New York. Why? Rail rates! It is cheaper to ship such things as corn products from Illinois by rail to New York and from New York by water to Seattle, than direct by rail from Illinois to Seattle. The American-Hawaiian with its 28 ships was growing rich in such traffic when its vessels were chartered first at $30,000 a month, then at $75,000 a month, then finally bought at three and four times their cost for service with the Allies.

Canada's Use For Ships.

The ships that have coastal trade really set the rates for transcontinental freights. If Canada had the ships, she would have the key to the transcontinental traffic of America.

There is also another far sighted reason for access to coastal trade. This country is not hungry and never will be hungry, but the shortage of staple crops will bring a high price level never before known. For instance, chicken feed is to-day $4.15 a bushel. Imagine the winter price of eggs and of poultry! The price of cattle feeds is so high it is going to do one of two things—raise the price of milk beyond the reach of the poor, or by killing off herds, raise the price of beef beyond the reach of the poor. Yet this country must send of her corn and her wheat to the Allies if they are to win the war. In Australia and India are the only surplus grain supplies in the world. The submarine bars the movement to Europe by the Suez, or round the Cape; but there are not yet submarines in the Pacific. If Japan's cargo carriers can bring that Asiatic grain to the west coast of America, then it is hoped that coastal tubs may bring it through Panama. Thus has the war reversed the great trade currents of the world. But a decade ago, Hill was moving Heaven and Earth to export wheat to Asia. This year by the Grace of God and Japan, Asia may send wheat to America, that America may send of her stores to Europe.

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MONTREAL

WHAT BUSINESS MEN ARE DOING TO HELP WIN WAR

Continued from page 10

numbers from ten upwards, put them out with farmers who can raise them, and meet all risks of loss during the two years when the calves are being brought to the baby beef stage, the hotel men guaranteeing the farmers against all loss, and also assuring them a profit on their work.

Business men are now working along three general lines at Washington, helping the Government as volunteers or slenderly-paid officials in three kinds of organization.

First in point of organization was the Council of National Defence, which exercises chiefly an advisory capacity in helping Government departments mobilize the industrial resources of the country for war use. These men are all volunteers, or have been loaned by their houses for the period of the war, at no expense to the Government. Their intimate knowledge of different industries and trades has been immensely helpful in getting the army clothed, fed and transported to France, and the Navy equipped for activities that will unquestionably become prominent next spring.

Whole-Hearted Co-operation to Speed the Army.

A typical piece of service rendered by this branch of the business men's organization was that in connection with canned goods for the Army and Navy. It has been customary to invite bids for such supplies, but this year there were no bidders because the canned goods had been bought up in advance of packing by distributors who took them far ahead, and at prices decidedly beyond those the Government had been accustomed to pay. A canned goods committee of the Council of National Defence made an intimate study of probable supplies, and found that a certain percentage of the whole 1917 pack of staples, like corn, tomatoes and peas—an average of about ten per cent.—would be needed for our fighting force. Each canning establishment was then drawn upon for such-and-such a percentage of its pack, distributing the burden over the **entire industry,** and also over the country. When the goods began to come from the canneries, a volunteer force of inspectors, made up of canned-goods experts whose services and expenses were contributed by large grocery concerns, stationed themselves in the many establishments and saw that the Government got good quality. When the canners began packing for shipment, it was learned that many of them had never strapped their cases in conformity to Navy regulations. Immediately a force of expert box-strappers appeared at all such plants, doing the work in the most skilful way. Finally, the price to be paid the canners by the Government was settled by a committee of business men, and this price met the views of the Army and Navy as to what was reasonable in a war market, and also the views of the canners—for it was based on an expert business understanding of factory costs.

The second type of business expert working in Washington is the engineer, chemist, purchasing agent, supply man and traffic manager with a commission in the Army or Navy, serving at a salary from one-half to perhaps one-fifth that he has been receiving from some corporation that has "contributed" him. The word "contributed" is put in quotations because Government regulations usually make it unlawful for his employing corporation to add anything to his meagre Government salary, so he is in Washington for the peroid of the war, making ends meet to the best advantage financially, and glad to be there because the work is absorbing—in most cases a privilege from the standpoint of self-improvement and associates.

Typical of this kind of service is a certain bureau of the War Department which the writer visited the other day. That bureau handles supplies which are just beginning to come along in good volume for storage and transportation. Three months from now it will be in full swing, doing a business that must be reckoned, not in millions, nor tens of millions of dollars, but literally billions. Day by day new experts report, assume special duties in the line of their special training, and don the Army uniform, and more and more men of this calibre will be drawn from the business world for that single bureau as its activities swell to ultimate war volume. The men who are serving, and will serve, could never have been assembled by any single corporation for peace time business purposes. No corporation could have afforded to pay the salaries of such an aggregation of "stars," and apart from money considerations, no corporation could have drawn the men from the hundreds of different industries and organizations that they represent. Many of them have spent their whole business careers with the same concern, and the element of loyalty binds them. Others are partners and stockholders. Only a great national service in a time of tension was sufficient to mobilize them.

The third class of business men in Washington are the volunteers who have joined in the work of controlling food, fuel, exports, steel and other commodities, and their service is most interesting in some ways, and perhaps most commendable, because they have gone to Washington with a certain opposition to the principle of control, or at least a disbelief in its practicability.

"Price control is dangerous," the manufacturer or merchant has declared, while bills were before Congress. "Every country that attempted to fix prices has failed. You can't build barriers against supply and demand, and to persist in trying is to kill business and maybe lose the war."

Then, a few weeks later, this very man is probably found sitting at a desk in Washington, explaining how control works to others who believe as he did, and who are as quickly won over by the facts, plus the atmosphere of Washington.

Working for Commodity Control.

The facts are, that the law of supply and demand has ceased to operate with most commodities—that the world must tighten its belt and get along on less, and that the scant supply of commodities must be rationed. The rationing process is commodity control rather than price control, preventing hoarding, speculation, unrestrained bidding of one mad buyer against another. It is true that price control has failed everywhere, even in Germany. But it is also true that the law of supply and demand has failed, for we have Russia as an example of unregulated commodities, the victim of a food revolution.

As for the atmosphere of Washington, that is contagious. The business man who comes to a conference expecting to meet theorists, finds men like himself dealing with business problems, and sees those problems from the national and international viewpoint. Instead of being "regulated," he is invited to help devise temporary trade machinery to carry the nation through the war. He is made to feel that he is just as much the United States Government in this crisis as the volunteer officials he deals with, and in the need for co-operation from his trade, he soon loses sight of the individual interests that loomed up so large at home.

There is something almost amusing in watching the transformation wrought upon each group of business men who come to discuss their trade interests with the control departments of the Government. The first meeting is a trifle stiff, for the lion and the lamb are getting used to each other, and testing good faith. But at the end of a day or two there is nothing but good feeling and earnest desire to help the country. Trade after trade has made free gifts of its profits the past two months, to help the country feed itself as economically as may be during the war, and where regulation is necessary to deal with trade tricksters, of which there are usually a few in every line, the trades themselves have helped make and enforce them.

Business Wants to be Licensed.

Commodity control has been organized in two ways.

For the large business concerns handling food articles as manufacturers and wholesale middlemen, the food law provides a system of licensing, so that any refractory concern can be policed by the canceling of its license to do business. The license provision was originally regarded by the Food Administration as something to be used chiefly in emergencies, the real regulation being secured by the different industries giving pledges for good behaviour. But in practice it was soon found that the industries wanted to be licensed. They came and asked for licenses, even where no strict regulation had yet been found necessary in their lines, and their motives were two-fold—first, to show that they were ready to submit to everything that was necessary for them in doing their part toward winning the war, and, second, because the license system provides the fairest way of dealing with the tricksters of the trade. Under a simple pledge system, ninety-nine per cent. of the concerns could be depended upon to keep faith, but the trade would have to police its own tricksters through trade opinion. Under the license plan, on the contrary, the trickster is policed by the Government, simply receiving notice that his right to do business is in danger if he violates the regulations that have been found necessary for the period of the war.

A very large section of the business world is outside the license system—most of the retail food distributors, and the smaller manufacturers and wholesalers. To assure their co-operation, the trades are organizing on a basis that will keep war spirit strong, and make it do the work better than petty police regulations.

A process of decentralization is now going on in the matter of business men's co-operation with the Government. The volunteers are no longer found in Washington alone, but are springing up in the states and cities. This process is illustrated by development of the Food Administration since the law made it an actual Government department in August. The first great work was to organize production machinery in the staple commodities—wheat, flour, sugar, fuel and so forth. These follow national and international lines, and the organizations were laid out regardless of states. When the work of enlisting the retail distributor and the public in food conservation was taken up, however, this called for organizations on state lines, to deal directly with business associations, churches, women's organizations and other local factors. So the Food Administration now has a Federal food administrator in each state, and its departments are beginning to work through local men, like the state merchant representatives recently enlisted to secure retail co-operation. Other departments are assigning business volunteers to cantonments, supply depots, factories and shipyards, and there is also a migration toward France.

AS OTHERS SEE US

THE FINANCIAL POST and the Big Interests tell the people to work harder and eat less in order to reduce the high cost of living.—Windsor *Record.*

THE FINANCIAL POST of Toronto, the organ of the big interests of Canada, recently asked, "What is a Profiteer?" A common definition would be: One who takes advantage of an abnormal situation to make excess profits.—Kitchener *News-Record.*

THE FINANCIAL POST, with its usual Big-Interests concern, is afraid that the attacks on Sir Joseph Flavelle will keep big men out of public life. If they are of the Flavelle class that's where they should be.—Yorkton *Enterprise.*

IMMIGRATION AFTER THE WAR.

Translated from *"La Liberte,"* Winnipeg.

"Everything indicates that if in the future we wish to have our share of immigrants from the old countries it will be necessary to make them an enticing proposition. It will not be without making an effort to retain them that Europe will assist at the departure of her sons for the new world. Already England is looking for means to keep her soldiers by her after they have given up the khaki livery. Without doubt, other countries of Europe have the same preoccupation. Lord Northcliffe declares that England does not mean to let her inhabitants quit their isle."—*The Financial Post.*

The European countries will do all in their power to keep by them those consumed with a desire to emigrate. That is easily understood, as these emigrants are usually young men. So much decimated will have been these peoples, so much depleted will have become the ranks of their beautiful youth, that the Government of these countries wish to keep with them the few valid men that the war has spared. There is one of the reasons why we shall not, perhaps, have immigration in the to-morrow of the conclusion of peace. Another reason for the same thing is that we shall, under pretext of aiding England, have Prussianized and militarized our country—we shall have practically brought it to bankruptcy—we shall have burdened with heavy taxes the present generation, hypothetically future generations, and perhaps mortally hit the economic independence of the country. Cankered and ruined, we shall have nothing attractive to offer European immigrants. It is towards South America that they will direct their steps. There they will find new countries as yet unharnessed to the yoke of militarism. There they will go. In this they will only be obeying their good sense.

THE C. N. R. DEAL.

Edmonton *Journal.*

There is an answer to an enquiry in the Investors' Department of the FINANCIAL POST last week which is of much local present interest. A gentleman wrote to ask if Alberta bonds were a good investment and the financial expert in charge replied that they were.

While it is true, he added, that the western provinces have been heavy borrowers and are carrying comparatively large public debts, yet their resources are so great and prospects so good, that the security behind the various issues is sound. The acquisition by the Dominion government of the Canadian Northern railway system will virtually relieve the province of Alberta of a considerable liability in the guaranteed bonds of the railway company and improve the province's financial position to that extent.

If the Dominion government had not adopted this policy but had allowed the road, as was urged by opponents of that policy, to go into the hands of a receiver, Alberta would have been bankrupted. There would then have been another answer to the above inquiry. The amount of Canadian Northern bonds guaranteed by the province is $18,950,361, all of which would on the establishment of a receivership immediately have become due.

THE TRACTOR EXPERIMENT.

Commenting on THE FINANCIAL POST'S recent editorial as to the necessity for increasing agricultural production, the Beaverton *Express* says:

In Ontario province the Department of Agriculture at least has been somewhat alive to the urgency of the situation and has in some measure prepared to meet it. Some time ago we announced the government's intention of putting a number of tractors at work in the most important agricultural sections of the province with a view to stimulating the sowing acreage next spring. Ontario County is one of the sections marked out for this service if sufficient demand is shown for it. The tractor will be operated by the departmental employees, to do ploughing for farmers who are not able to get as much ploughing as they would like done. The charges are 45c an hour to this farmer while the machine is in actual operation, and the farmer supplies the fuel and lubricating oil. The Department make all repairs, supply the machine and pay for transportation from one job to another.

If there are any in this locality who are in need of a tractor they should apply without delay to Mr. R. M. Tipper, District Representative of the Department of Agriculture, Whitby, and if sufficient demand is shown for its services a machine will be sent into this section.

There is little doubt but that the acreage placed under grain crops next spring could be very largely increased in this county if our farmers could be roused from the apparent indifference to the national needs in this time of trial and stress.

"THE FLAVELLE TYPE."

Glace Bay *Gazette.*

THE FINANCIAL POST thinks "the attacks being made on Sir Joseph Flavelle will tend to discourage our big citizens from entering public life, where their services are so urgently required." "Canada needs men of the Flavelle type to conduct the nation's business," says THE POST. God forbid! Canada has suffered much from men of other types having to do with her government, but a man "of the Flavelle type," with the pose of a patriot, the sanctimonious cant of a hypocrite, and almost the business ability of a Rockefeller, would be an extremely dangerous man to entrust with power as a member of the government. Sir Joseph Flavelle, the pork profiteer, is entirely too "big" a man to be trusted with any connection with the government—"big" in the way of grabbing big profits. The less that type of man has to do with the government the better for the ordinary citizen.

Referring to the investigation into the transactions of the William Davies Co., THE FINANCIAL POST says, "there is nothing being revealed which does not come within the realm of legitimate business and no indications that profits have been made which were not warranted by the nature of the enterprise, the volume of trade and the risks involved." The investigation is not yet completed, but so far as it has gone it has established some things. First, there was practically no risk involved in the general business of the Davies Co.; the price of pork has been continually advancing, and they had much to do with the advance through their relation to both selling and buying ends. In their immense sales to the British Government they could not lose, for they were paid a certain percentage as profit in addition to the cost to them, no matter what that cost was. In spite of this large assured profit, Flavelle's company continually increased the price of their product to consumers in Canada, making millions more of profit. The investigation has shown that, on a capital of two million dollars his company in the three years since the war started has made profits amounting to $3,304,560. Sir Joseph Flavelle holds more than 50 per cent. of the company's stock, and his share of these profits have been $1,685,345. Last year the company's profits were $1,800,000. Large amounts of these profits were set aside for "depreciation of plant" and other purposes, but it is almost beyond doubt that these amounts were unwarrantably large, and there is strong suspicion, which the company has yet to clear itself from, that much of this "writing off" was done to avoid payment of war tax on profits.

A man who in war time can gouge the people to this tune is no man to be trusted with any share in the government. It is true that he and his company, like other profiteers, have been particular pets of the Government, and the present investigation is only being held because the Government was willing to give them a chance to get whitewashed after the O'Connor report was made, showing extortionate profits. The Borden Government is now linked up quite enough with the profiteers and big interests. With "men of the Flavelle type" in it, it would not be long before it would be impossible for a poor man to live in Canada.

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NEWS OF THE BOND MARKETS

NATION-WIDE SCOPE OF LOAN ORGANIZATION

Men Who Are in Control of the Various Committees Throughout Canada.

CO-OPERATIVE PRINCIPLE

Head of Dominion Executive Tells Insurance Institute of Toronto About Plans For the Victory Loan.

By A. E. AMES,
Chairman, Dominion War Loan Committee.

In connection with the three former Dominion loans made in Canada the competitive method was in use, and there was a scramble on the part of all bond sellers to procure subscriptions through their individual firms. Of course the feature of competition in business is a valuable one and should apply in practically all businesses, except such natural monopolies as public utilities; but I suppose that practically all of us would admit, though we might dislike to be considered socialists, that if there were any feasible way, consistently with our poor human nature, to provide for an equal distribution and maintenance of wealth and business generally, that would be the basis which might result in the greatest amount of comfort and happiness for the whole people.

As yet, at all events, we are not so highly civilized as to be able to employ such methods in the conduct of all of our affairs, but it has appeared quite clearly that this co-operative principle is one for which the magnitude of the task before us and the circumstances associated with it alike are peculiarly fitted. In this connection it is, perhaps, safe to say that everyone actively associated with the organization has come to feel, even if all did not at first, that the principle of co-operation in this regard entirely outweighs and overrides that of competition.

Distribution of Literature.

I am sure this will involve relief, especially to officers of your companies, and to all others who are in the class of obvious investors. While, therefore, during this campaign there must be a considerable distribution of unproductive literature, yet this will be spread over a very wide surface, and well known investors will not be subjected to the receipt of, say, 26 different prospectuses and the canvassing of 26 different people.

Touching now upon the character of the organization, you are all, perhaps, more or less familiar with at least some phases of it. It may, however, be useful to give a general outline of the organization:

The Dominion Executive.

The Minister of Finance, after most careful survey of the whole situation, reached the conclusion that general organization work and co-operation throughout the Province should be in the hands of the Dominion Executive Committee, composed of working people used to the distribution of securities, and having, in their experience, a good start toward the solution of such problems as would have to be dealt with prior to and during the progress of the campaign. The Dominion Executive is, therefore, composed of a group which, for convenience of operation, are men resident in the cities of Toronto and Montreal, with the exception of Sir Augustus Nanton, resident in Winnipeg, and who is a most valuable member of that community. The Dominion Executive meets daily, and is in constant touch in a consultatory, advisory and helpful capacity with all other committees.

Co-operating Committees.

To co-operate with this Dominion Executive and to do everything in their power to help towards the success of the campaign, there have been appointed co-operative committees for the Dominion and for the Provinces by the Bankers' Association, the Life Assurance Companies' Association and the Mortgage Loan Association, in the membership of which latter are included Trust, Life and Loan Companies. The Fire Underwriters, as you know, have no Dominion-wide organization, but the Ontario and Quebec Associations appointed, some little time ago, committees to co-operate in these provinces, and other Fire Underwriters' committees have been or are being formed in other provinces to give their support.

Other committees of Dominion-wide scope are as follows:—

The Dominion Special Subscriptions Committee, under the chairmanship of E. H. Wood, with whom are associated a number of partners and expert salesmen in bond and stock exchange houses, and a few others specially qualified for the task. This task relates to the larger buyers of bonds, in so far as they are known, and the hope is that members of this committee may be able to procure from the list of investors of $25,000 and over the fullest possible purchase of bonds. Upon these subscriptions, which, roughly, and without sufficient data for making an estimate, the guess is that they may amount to one-half the total subscription, there will be no commission paid by the Finance Department. The work of this committee is, therefore, of great importance, and is being undertaken with such discretion, energy and knowledge that its success is confidently predicted.

The Dominion Finance Committee, under the chairmanship of J. H. Gundy, who is also vice-chairman of the Dominion Executive, has charge of the apportioning and disbursing of funds amongst the various provinces, necessary for organization and incidental expenses.

The Dominion Publicity Committee, of which R. A. Stephenson, of Montreal, is chairman, has charge of the preparation and distribution of advertising matter throughout the Dominion. The advertising matter will consist of newspaper advertising, posters, and a number of other devices which it would be a pity to mention to you now, because of taking away from you the freshness of them as they first come out. It may, perhaps, whet your appetite to know—particularly the appetites of those of you fortunate enough to have young children as an excuse for attending the shows, that there will be a scenario relating to the loan for the moving picture houses.

The Dominion Business Committee, under the chairmanship of W. S. Hodgens, has charge of the preparation of forms and records and other matters which are being relegated to them from time to time, this committee constituting a valuable factor in the organization.

Provincial Leaders.

In an organization, which to be effective must be complete, the question of comparison of importance of various factors does not arise. Too great importance, however, cannot be attached to the work of the provincial organization committees. In every province there is a separate provincial organization, through which the whole province is being organized down to the last detail. The chairmen for these provincial organization committees have been selected with great care and are considered most suitable for the tasks they have, in co-operation with the other members of their committees. These chairmen are:

William Farrell, Vancouver, for British Columbia.

In Alberta, Hon. C. R. Mitchell, Provincial Treasurer, is Honorary Chairman, and William Toole, Calgary, chairman for Southern Alberta and James Ramsey, Edmonton, chairman for Northern Alberta.

Sir Augustus Nanton, Winnipeg, for Manitoba.

G. H. Wood, Toronto, chairman for Ontario.

J. M. Mackie, Montreal, who is also vice-chairman of the Dominion Executive, for Quebec, with J. W. McConnell, chairman for the Island of Montreal, and E. A. Macnutt for the rest of the province.

C. H. B. Longworth, Charlottetown, for Prince Edward Island.

Hon. Senator W. H. Thorne, St. John, for New Brunswick.

Geo. S. Campbell, Halifax, for Nova Scotia.

All of these provincial committees have their own sub-committees, such as special subscriptions, publicity and business committees, whose activities are connected with work throughout the province, and in greater or less degree in co-operation with the Dominion committees of the same character. Each province is divided into a number of districts, and at the head of each of these districts is the strongest man qualified for the position that could be obtained. There will be a special committee in charge of each of the cities and of each of the counties, the idea being to canvass as completely as possible people living in every part of Canada, including those on the farms and those in the factories.

Provincial Objectives.

Objectives are being arranged through consultation with the provincial committees for every province in the Dominion. It is hoped to arrive quickly at objectives which will satisfy every province, not only as to its own amount, but, also, as to the objectives for all the other provinces, having regard, so far as possible, not only to what has been procured for previous loans, but also to current conditions in the provinces as varied from what they were relatively in previous years.

The relation between the Dominion executive and other Dominion committees and the provincial organization committees is one which naturally requires a large stock of patience and consideration. The situation is necessarily somewhat delicate. The attitude of the Dominion Executive Committee, which they have tried to make apparent to the officers of the provincial committees, is that of a clearing house of information and method. Obviously, it has been necessary for the Finance Minister to institute a general basis of campaign throughout the Dominion, but, equally obviously, there is considerable room for elasticity. The last thing, therefore, which any Dominion committee would wish to do is to interfere with any of the prerogatives and the initiative of the provincial committees. We feel, however, that our relation to the campaign is service to the whole situation, through conference with the Finance Minister as to various features regarding the loan and the campaign, upon the one hand, and through being of any assistance we can to the provincial committees.

It will be readily understood that, this being the first time that anything of the magnitude of this organization has been got together in Canada in short order, there is a multiplicity of questions requiring solution, even though broad principles of policy have already been established and recognized. All the committees, however, are in the throes of organization and getting themselves fit for an intense campaign. Everybody is, so to speak, "on his toes" with concentrated energy looking to do his bit. It is a situation, therefore, where no one having a naturally short disposition can afford to humor it until the close of the books, and where everyone must bring into play all the active and latent sweetness of disposition of which he is capable. We count upon this, are sure that it will not detract forcefulness, and are getting evidence of it such as, possibly, might not have been expected from such a large body of keen, active men of independent habits of thought. The whole campaign is based upon the sinking of individuality and complete co-operation to achieve the vital object.

Sir Thomas White, Minister of Finance, has thrown himself into the campaign with great energy and helpfulness. His experience in initiative, expression and availability for conference will be great factors in the loan's success.

I should have mentioned before that in connection with a number of provinces and cities there will be influential honorary committees, who will be of considerable use by the influence of their names and help where called upon in different directions.

EMPLOYEES IN MONTREAL GIVE 10 % OF WAGES

Special Plan for Employers to Underwrite Victory War Loan.

WEEKLY SUM SET ASIDE

Committee of 100 Ladies—Merchants Will Use Newspaper Space—Canvassing Homes in the Country.

The drive made upon the small wage earners of the Island of Montreal for subscriptions to the Victory Loan promises to be the most interesting, if not the most spectacular, of the campaigns that will be carried through. The proposal of J. W. McConnell, who with Joseph Quintal is the joint chairman of the committee, is one that will bring in the man who is able to set aside as small an amount as one dollar a week, and contemplates that the employer shall underwrite the loan and that payments shall be made to the firm out of salaries week by week for the whole year.

It has been suggested, THE FINANCIAL POST is informed, that the employers urge upon their workmen that they subscribe to the loan at the rate of 10 per cent. of their wages or salaries; that is, the man who is receiving $1,000 a year shall take two shares, at $50 each, as this is thought to form the probable unit; the man with $1,500 a year would take three shares, aggregating 10 per cent. of his salary, or $150, and so on.

Already the names of 3,000 employers have been secured and a special Employers' Committee chosen, with R. N. Watt, local manager of the William Davies Co., as chairman. These employers will all be waited upon and urged to bring the 10 per cent. scheme into effect with as many of their employees as they can. They themselves would make the payments for the whole amount subscribed at the allotted dates set by the Minister. It is expected that several millions will be raised in the aggregate by this scheme.

Ladies' Committee

Among the other special arrangements that have been made is the formation of a ladies' committee of one hundred members, divided into ten groups under captains. Their work will be to canvass the ladies of Montreal. The chairman of the whole committee is Lady Meredith, while Mrs. Arthur Drummond and Mrs. R. A. Greenshields are vice-chairmen.

For the general canvassing there will be twenty French and twenty English teams and these will work on lists that have now reached a total of over 35,000. The Bell Telephone Company supplied on single cards the names of all their subscribers.

In connection with the public meetings that will be held, a speakers' committee has been chosen with Principal Smythe as chairman. These will arrange for meetings in halls, in factories, in the schools, etc.

Publicity is in charge of J. N. McKim as chairman, to supplement the work of the Dominion Publicity Committee. The other members are: F. J. Knox, secretary-treasurer; F. W. Stewart, Theodore Morgan, A. Dugal, E. Emery, J. A. Beaudry, Emilient Daoust, W. F. Steedman, F. G. Fontaine, A. Dupuis, Warren G. Brown, J. S. Brierley, Eugene Tarte, J. M. Gibbon, R. Clonthier, J. D. Chesney, W. H. Allworth, J. A. Laporte, F. Abraham, and Frank Veitch, with the Montreal Publicity Association.

Many stores have promised to devote space in the newspapers to the loan.

Associated with Mr. McConnell and Mr. Quintal on the general committee for the Island of Montreal are J. W. Ross and P. P. Cowans as vice-chairmen for the English-speaking section, meeting in the Dominion Express Building, with the French-speaking section in the Duluth Building. The English executive consists of H. W. Beauclerc, H. R. Drummond, E. R. Jones, E. W. Beatty, W. M. Birks, Wm. McMaster, W. A. Black, and George Montgomery. The members number 150 business men.

The vice-chairmen for the French section are Hon. J. M. Wilson and Gen. A. E. Labelle, with an executive of L. G. Beaubien, O. S. Perrault, F. E. Fontaine, Raoul Grothe and J. A. Beaudry.

The Special Finance Committee has H. B. Drummond as chairman, W. McMaster, W. M. Birks, J. W. Ross and Gordon W. Scott, secretary.

The organization for the rest of the Province of Quebec is proceeding rapidly under Messrs. MacNutt and Frigon. Speaking to THE FINANCIAL POST, Mr. MacNutt said that canvassers were being appointed for every county who would cover not only the cities and towns and villages but go out into the country, "whereever we think there is any money."

In a window of the Dominion Express Building a large sign has been placed, and on either side a representation of a silver shell, with the words on one, "Remember the Silver Bullets," and on the other, "N'Oubliez pas les Boulets D'Argent," with the name of Lloyd George in each case added. A placard reads, "They are doing their duty; Do yours," while the French rendering opposite reads, "Les Canadiens font leur Devoir; Faites le Votre."

FIRST WAR LOAN MEETING.

Held in the Town Hall of St. Lambert on Saturday Evening Last.

To Chambly County, Quebec, belongs the honor of having held the first public meeting in the interests of the Victory Loan. The meeting was held in the St. Lambert Town Hall last Saturday evening and was addressed by E. C. Alford and E. Ranger, joint organizers for seven south shore counties; Hon. Walter Mitchell, provincial treasurer; J. H. Rainville, deputy speaker of the House of Commons; Dr. E. M. Desaulniers, M.L.A., and J. T. Hackett, K.C.

It is planned to have a Dominion-wide organization to promote the sale of war savings certificates on the instalment plan. This has resulted from the success of an experiment tried by the National Service Board in Toronto. Twenty-seven large industrial establishments were canvassed and 6,500 men and women were induced to purchase certificates to the amount of $195,000.

R. A. Mulholland, mayor of Port Hope, has been selected as chairman of the war loan committee for Durham county.

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DEBENTURES FOR SALE.
Brampton, Ontario
School Debentures for Sale.
TENDERS will be received by the undersigned up to noon, October 29th, 1917, for High School debentures, Town of Brampton. Amount of debentures, $60,000.00, repayable in thirty equal annual instalments. Interest 6 per cent. annually. The highest or any tender not necessarily accepted.
A. G. DAVIS,
Clerk, Town of Brampton.

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A NEWSPAPER DEVOTED TO MUNICIPAL BONDS

There is published in New York City a daily and weekly newspaper which has for over twenty-five years been devoted to municipal bonds. Bankers, bond dealers, investors and public officials consider it an authority in its field. Municipalities consider it the logical medium in which to announce bond offerings.

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Safe Investments

are selecting Municipal or School Debentures in preference to other kinds of securities.

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To Yield 6% And More

$ 5,000—Catholic School Commissioners of Montreal, 5%—30 years. Due 1st February, 1947. $1,000 denomination.
$ 8,000—Town of Laval de Montreal, 6%—25 years. Due 1st September, 1941. $1,000 demonination.
$ 9,000—School Municipality of Pointe aux Trembles, 6%—25 years. Due 1st May 1942. $1,000 denomination.
$ 60,000—Town of Pointe aux Trembles, 6%—25 years. Due 1st May, 1942. $500 and $1,000 denominations.
$150,000—Town of St. Laurent, 6%—10 years. Due 1st May, 1927. $1000 denomination.

These debentures, payable at Montreal or New York, may be delivered at the buyer's Bank in Canada or anywhere else.

Further particulars on demand.

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Escaped from Germany

An escaped prisoner tells the story of his fearful experiences in Germany in MACLEAN'S MAGAZINE for November; and gives a vivid picture of conditions in Germany as he saw them. He got out by way of Holland after appalling perils and hardships. In Holland, he was photographed, but so altered was he that his wife quite failed to recognize him in this photograph. Read this story of this Canadian soldier's escape. It is gripping stuff—a rare tale.

Canadian Finances After the War
Will business in Canada collapse when peace comes? It may. What do the big men say? What do they know? What do you think? Are your opinions well informed? The subject is of the greatest possible importance, and you will get light and leading by reading the contribution of Col. John Bayne Maclean, who has taken the trouble to get the opinion of the biggest and most highly placed men in Canada to help him prepare his article.

Back From the Arctic
William Thompson, representing the American Geographical Society, was this year in the Arctic Regions. He went to the delta of the Mackenzie River and took many excellent pictures of the country and its Eskimo inhabitants. He makes the November MACLEAN'S the vehicle of many of his pictures and for an account of his journey. Read what this Arctic scientist has to tell us about a remote part of our land.

Slackers and Conscription
What is your attitude towards the draft? You have positive opinions, of course. How do they square with Miss Laut's as they are expressed in her ringing article on Slackers in the November MACLEAN'S.

The Nation's Business
This is a new feature—a fearless, well-informed survey of national affairs. What we all want is an outspoken—but not vindictive—and clear-visioned presentation of factors and facts affecting our national, political and economic welfare.

Sketches of Trench Life
By Gunner McRitchie
McRitchie was a cartoonist on a Western Canada daily before he went overseas. He has done a number of sketches of trench life "On the Spot," and these he has sent home, for publication in MACLEAN'S MAGAZINE. They're interesting and good.

The Late Sir Mortimer Clark
Before he died, a few weeks ago, the late Sir Mortimer Clark, eminent jurist and an ex-Lieutenant-Governor of Ontario, wrote for MACLEAN'S an article on "Safeguarding Your Heirs." It has to do with the functions, service and safety of Trust Companies as executors of estates. This article by a man so distinguished, so cautious, so able, and so wise a counseller, can be of first-rate value to every man perplexed with the problem of how his estate can be safely and prudently administered after he, the testator, has passed from this life.

A Complete Novelette
By Peter B. Kyne
His story in the November MACLEAN'S is a thunderingly good story of lumbermen and lumbering. Red blood is in this tale of business. R. M. Brinkerhoff illustrates it.

Short Story
By Ethel Watts Mumford
The writer of this short story—the first of a delightful series by this author to appear in MACLEAN'S—is very well known among short story writers. Delicate fancy, wholesomeness, freshness and finished workmanship characterize all her work.

Short Story
By W. A. Fraser
A mightily well-written story of India—the kind that we all delight in; tense, bewildering, and lots of action. Fraser rarely wrote a better short story than this. [illegible] illustrates it.

Hendryx and Oppenheim Serials
"The Gun Brand," by Hendryx, comes to an end in the November issue. Oppenheim's greatest story, "The Pawns Count," is continued. Oppenheim's story is the biggest single feature ever secured by MACLEAN'S.

MACLEAN'S MAGAZINE for November
At All News Dealers, 15c.

FIELD OF MUNICIPAL FINANCE

PROPOSALS TO BOOST CITY'S REVENUES

Many Suggestions Are Made to Lift Montreal Out of Debt.

MAYOR'S ATTITUDE CHANGED

Willing Now To Approve of Plan Whereby Employees Would Be Engaged Temporarily By the Month.

According to the budget submitted by Mayor Martin of Montreal this week there will be another deficit of some $2,500,000 for next year unless several suggestions for increasing the revenue are adopted. Perhaps the most significant part of the Mayor's message is that in which he suggests that the employees be re-engaged temporarily, by the month, "in order to enable a new administration (if one is appointed) to make such changes as may be suggested by the experts who are making a survey of our system of administration, without being in any wise bound by the engagement of the employees for an entire year."

Mayor Changes Views.

This statement may be taken to mark the conversion of Mayor Martin to the contention of many of the most important bodies in Montreal that a vital change in the method of administration of civic affairs is required before the financial condition of the city can be improved, and also a more friendly attitude towards the Civic Survey than prompted His Worship earlier in the year to veto a resolution calling for an expenditure of $25,000 on this account. The Mayor's new attitude, which probably will carry with it the undoubtedly wide influence he wields among large numbers of the French-Canadians, will make it easier for the Premier to decide upon such a change as will restore the metropolis to the position municipally, that its commanding position commercially and financially warrants.

Following are the estimates of expenditure and receipts:

Expenditure.

	1917	1918
Interest and sinking fund..	$5,155,927	$5,521,235
School tax (subject to verification)	2,060,000	2,750,000
Reserve 3 p.c....	419,218	485,394
Probable loss...	95,000	115,000
Salary & wages.	4,033,050	4,451,136
Pensions and annuities	43,483	65,000
General administration expenses	2,281,100	2,792,024
Special, re loan to be floated..	21,351	....
	$14,109,129	$16,179,789

Revenue.

	1917	1918
Assessments ...	$12,596,789	$13,500,000
Deficit loan	1,400,000	2,679,789
Special tax imposed	112,340	....
	$14,109,129	$16,272,554

Mutual Fire Insurance.

Among the many proposals to increase the revenue of the city the one that has met with least favor has been the establishment of a mutual fire insurance by the city, which the Mayor estimates would save present expenditures of $1,700,000. Other proposals are:

An increase in the real estate tax by three-tenths of one per cent. to give new revenue of $1,800,000. Suggested by C Arnoldi, City Treasurer.

An increase in the water rates of one per cent. which would give $250,000 additional. (Mr. Arnoldi).

An increase in the snow removal tax by 100 per cent. (from 5 to 10 cents per lineal foot), giving additional revenue of from $75,000 to $100,000. (Suggested by Mr. Arnoldi).

That the real estate tax be made mobile and not to exceed 2 per cent. It is at present a flat rate of one per cent (Suggested by J. Hamilton Ferns, Chairman of Board of Assessors).

That the proprietors benefiting be charged with the cost of improvements sidewalks, etc., the payments to be extended over a term of ten years. This is the local improvement system as other cities know it. (Mr. Ferns).

That the permanent roadways now in existence be charged to the abutting proprietors, allowance being made for depreciation, the payments to extend over ten years.—(Mr. Ferns).

That neighboring proprietors pay for future expropriations.—(Mr. Ferns).

That no subdivision take place until all streets and lanes are ceded to the city.—(Mr. Ferns).

Increase licenses for vehicles of all sorts, junk stores, dogs, etc.—(Suggested by A. Bienvenu, superintendent of License Department).

Increase tax on Montreal Light, Heat & Power Co., which now pays one-tenth of one per cent. on its capital.—(The Mayor).

Increases in salaries are recommended to include from $50 to $150 more for married employees who are receiving less than $1,000 a year; laborers from $2.50 to $2.75 a day; single carters from $3.75 to $4 and double from $6 to $6.50, and police and fire increases of from $100 to $150.

A Municipal Store.

Among changes that are likely to commend themselves to the public mind are the establishment of a municipal store, for the purchase of supplies for all departments, instead of the costly system of buying separately; and improvements in the collection of taxes, sheriffs' sales, bookkeeping inventory of the city's belongings, etc. He also urges that all the costly autos be replaced by cheaper cars. The number of phones could be reduced, and reports to be printed cut down. In connection with the fire department he would have more smaller stations and horses instead of so much motor equipment as now. Mainly to automobile equipment he attributes the increase in the cost of the department between 1909 and the present, from $450,504 to $1,059,424. A sum of $5,000,000 for permanent works that is available from the loan fund, he would not touch during the war.

ISSUE SCHOOL BONDS.

Westmount School Board Will Ask Legislative Authority.

The Protestant Board of School Commissioners of Westmount will apply to the provincial legislature at the coming session for authority to issue bonds for $900,000 for 30 years at 6 per cent., which they expect will be marketed near par. The issue will not be made immediately but will be deposited with the Molson's Bank to cover the overdraft for $600,000. This would enable the Board to carry on business until the old High School property has been sold. It is proposed to increase the school tax from 5 to 6 mills, to provide additional revenue.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

Oct. 31, Stouffville.—$24,780.43, 5½% public school debentures of the village of Stouffville, Ont., dated September 15, 1917, and approved by the Ontario Railway and Municipal Board.

Oct. 29, Brampton.—$60,000 6%, 30-instalment high school debentures of the Town of Brampton. A. G. Davis, Town Clerk, Brampton.

BY-LAWS PASSED OR DEFEATED.

Sudbury.—$2,500 for British Red Cross and other patriotic purposes, passed by council, October 15.

BY-LAWS TO BE VOTED ON.

Nov. 12, Leamington, Ont.—$4,500 to pay for securing contracts for the cultivation of 8,000 acres of sugar beets for a proposed beet sugar factory.

DEBENTURE NOTES.

Picton, N.S.—It has been decided to sell $13,000, five per cent., twenty-year bonds to retire old Academy bonds, which had no sinking fund attached, and $6,000 water extension bonds.

Lindsay, Ont.—Town Treasurer Currie is offering for sale locally an issue of six per cent. debentures, dated November 1, 1917, and payable 1918-1937. These may be had in amounts of $100 and upwards.

Brantford.—At next municipal election, ratepayers will vote on a by-law authorizing the issue of debentures to the value of $40,000 for construction of St. Paul Avenue subway.

SASKATCHEWAN.

The following is a list of debenture applications granted by the local Government Board from Oct. 8th to 13th:—

School Districts.—Prussia, $5,500; Hill and Hollow, $2,000; Vantage, $2,300; Liberator, $2,000.

Rural Telephone Companies.—Woodend, $2,800; Lake Johnston, $800; Stranraer, $15,800; Shallow Lake, $200; Unity, $36,400; McDonald Hills, $15,000; Hawarden, $2,200.

The following is a list of debentures reported sold from Oct. 8th to 13th, 1917:—

School Districts.—Sully, $1,600, Great West Life Assurance Co., Winnipeg; Wolseley, $2,300, Robt. Cann, Wolseley.

Rural Telephone Companies.—Coleville, $1,000, Wood, Gundy & Co., Saskatoon; Bresaylor, $10,500, Mr. Thomas, Bresaylor; Carnoustie, $2,000, H. O'Hara & Co., Toronto; Ethelton, $2,300, Union Bank of Canada; Gregherd, $7,000; Spring Valley, $5,200; Quill Lake, $3,700; Alsask, $21,500, W. L. McKinnon & Co., Regina; Fendlater, $6,000, Victoria Loan & Savings Co., Lindsay, Ont.

Villages. — Riverhurst, $2,550, W. L. McKinnon & Co., Regina.

BOND SALES.

$500 Asbestos at 72; $1,000 Bell Telephone at [illegible]; $1,000 Can. Converters at 82; $700 Cedar Rapids at 84; $5,000 Dominion Coal at 94¾; $3,200 Montreal Trams debs. at 73½ to 73¾; $1,000 Ogilvie Flour, Series A, at 103¾; $1,000 Penmans at 80; $1,500 Quebec Railway at 60; $2,000 Wayagamack at 80; [illegible] War Loan (1925) at 95½ to 96; [illegible] War Loan (1931) at 93¾ to 94¾; $307,700 War Loan (1937) at [illegible].

SASKATCHEWAN MUNICIPALITIES PROSPEROUS

Annual Report of Department of Municipal Affairs Shows Sound Condition.

SUBSTANTIAL CASH BALANCE

Out of 690 Municipalities Only Three are Reported to be in Any Difficulty at the Present Time.

A continuance of municipal prosperity throughout the year 1916 is recorded by J. N. Bayne, deputy minister of municipal affairs for Saskatchewan, in the course of his report for 1916-17, which has just been published.

"This fact," states Mr. Bayne, "is demonstrated by the substantial cash surpluses shown by so many of our municipalities at the end of the last calendar year, and by a general clearing of debts and taxes hitherto not experienced during a similar period of the existence of the province.

"Debts are not now undertaken with that freedom from foreboding which characterized borrowing when real estate values were soaring and credit was so easy to secure. Comparatively few municipalities attempted to borrow by debenture during the past year while temporary loans were usually brought down to a minimum. Our municipal councils, as a rule, soon fell in line with the policy of 'thrift and economy,' thereby observing the necessity of conserving resources for a time of stress which it is feared must follow close after the war.

Finances Sound.

"Notwithstanding obstacles thrown in the pathway of municipal progress by the decline of demand for real estate and the existence of a world war, Saskatchewan's municipalities have almost altogether avoided financial hardships. It is true, as mentioned in a previous report, that there are three towns which had difficulty in meeting their debenture coupons and for which a re-arrangement of their funded indebtedness was necessary, but, it may be repeated, no municipal institution in Saskatchewan has repudiated its debts nor shown an inclination to disregard its creditors. It speaks volumes for Saskatchewan's stability as a province when it is recognized that out of six hundred and ninety municipalities only three are at present in actual difficulty, particularly so when the province came through an era of optimism which encouraged borrowing in every possible way."

The average cash balance for each rural municipality at the close of 1916 was $7,500.

The average rate of taxation for municipal purposes in 1916, was, for towns, 14.95 mills; villages, where buildings and improvements are assessed as well as land, 16.25 mills; villages, where land only is assessed, 32.25 mills; rural municipalities, 5.7 mills.

The report gives statistics covering population, assessment, taxes levied and debenture debts of all organized municipalities in the province. Between April 30, 1916, and April 30, 1917, the number of cities remained stationary at 7, towns increased from 72 to 74, villages from 304 to 310, rural municipalities from 297 to 298, and school districts from 3,769 to 3,921.

HAD TO RAISE RATE.

Council Finds It Necessary To Put Out Six Per Cent. Debentures.

York Township Council has decided that it will be necessary to make the rate of interest on school debentures six per cent. in future. The trustees of Section 7, on the Plains Road, Todmorden, had applied for $7,000 to complete an extension to their building. When the building was erected the debentures were issued at 5½ per cent., but the treasurer reported that they had sold below par and the trustees did not get as much money for the school as was needed. He had been told by the township's bankers that money was likely to be still dearer, and he would not advise the issue of debentures paying less than 6 per cent. The solicitor was instructed to draw up a by-law for the issuing of the debentures payable in 25 years.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES

Date	Place and Purpose	Purchaser	Rate	Term	Amount	Price	Basis
Oct. 13	—Saskatchewan schools (see above)..	Various	....	....	$3,900	....	....
" 13	—Saskatchewan phones (see above)..	Various	....	....	59,200	....	....
" 13	—Riverhurst village Sask.	W. L. McKinnon & Co.	....	....	2,550	....	....

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INVESTORS' INSURANCE NOTES

ONTARIO FIRE MUTUALS GROW DURING 1916

Over Thirteen Million Increase in the Amount at Risk.

LOSSES WERE HEAVIER

Cash Mutuals, Having Joint Stock Capital, Enjoy Remarkable Growth With Large Increases.

The principal interest of the annual report of the Superintendent of Insurance for Ontario, which has just made its appearance, centres in the operations of the mutual fire insurance companies. There are only two life insurance companies reporting and only four joint stock fire insurance companies, whereas mutual fire companies, including both cash-mutual and strictly mutual, number eighty.

Mutual companies of all classes showed at the end of 1916 a gross amount at risk on the mutual plan of $340,884,239. This is a gain of approximately $13,500,000 for the year. New business taken during the year increased from $113,831,129 to $120,494,492 or by about $6,500,000. Companies transacting $3,000,000 and over were as follows:—

Farmers' Central, Walkerton...	$5,805,277
Farmers' Union, Lindsay.......	3,546,600
Granville Patron, Spencerville.	3,307,490
Howick Farmers', Wroxeter...	3,419,820
Lambton Farmers', Watford...	3,776,280
Peel County, Brampton........	3,690,924
Perth, Stratford..............	4,262,196
Sydenham, Owen Sound........	5,585,522
Waterloo Mutual, Waterloo....	3,763,159
Waterloo North, Waterloo.....	3,465,747

Losses Were Large.

Fire losses for the year, for both mutual and joint stock companies, amounted to $1,462,007. Of this total, the 70 purely mutual companies contributed $537,331; the 10 cash-mutual companies, $659,669 and the four stock companies, $265,006. So far as the strictly mutual companies are concerned, this is the largest total in their experience. $185,924 of the loss was attributed to lightning and $18,731 to incendiarism.

Turning now to the assets of the various companies, it is to be noted that total assets of the seventy mutuals have grown from $2,715,532 thirty years ago to $10,211,106 at the close of 1917. The bulk of these assets are made up of unassessed premium note capital, amounting to $9,199,124. Well over half a million dollars are invested in mortgages, bonds and debentures and $370,764 is in the form of cash. The twelve companies having the largest assets are as follows:—

Waterloo North, Waterloo.......	$634,490
Howick Farmers', Wroxeter.....	557,143
Sydenham, Owen Sound..........	388,374
Farmers' Central, Walkerton...	378,842
Canadian Millers, Hamilton.....	368,754
Peel County, Brampton.........	319,135
Farmers' Union, Lindsay........	301,738
Nissouri, Kintore	291,413
Dumfries North, Galt	286,697
Grenville Patron, Spencerville..	260,155
Elma Farmers', Atwood.........	234,289
Formosa, Formosa	227,733

The Purely Mutuals.

Total liabilities of the seventy companies are shown to be only $48,152, of which the bulk is made up of unpaid losses and bills payable. This gives average liabilities of $687, an amount which has not been exceeded since 1898, when the figure reached $843. Notwithstanding this comparatively large total, the average surplus of $145,185 is the largest in the history of the mutuals.

Income for the year 1916 aggregated $744,452. Of this $511,216 comprised fixed payments and $130,758 assessments. Interest amounted to $41,718. As the income for the previous year was $704,377, with fixed payments of $477,713, assessments of $124,191 and interest receipts of $36,198, a very satisfactory growth is to be noted.

Total expenses of management have grown during the year from $124,821 to $182,656. The principal items in this account for 1916 are agents' commissions, etc., $89,509; salaries and general expenses, $87,784. Losses met, as already noted, were $537,331, while other expenditures brought total expenses to $716,098, this comparing with $628,629 in 1915.

The Cash Mutuals.

The four cash mutual fire insurance companies having no joint stock capital,—Economical, Gore District, Perth and Waterloo,—report $113,870,864 at risk, as compared with $111,906,312 at the end of 1915. Assets have expanded from $3,274,410 to $3,313,990, holdings of mortgages, bonds, debentures and other securities having grown from $2,051,705 to $2,100,928. Receipts for 1916 were $914,291, of which $434,064 were premiums and $117,627 interest. Expenses of management were $243,881 and losses paid were $423,514, total payments being $890,993. In 1915, expenses of management were $234,285; losses were $305,283 and total payments $685,858.

The six cash mutuals having joint stock capital,—Fire Insurance Exchange, Hand-in-Hand, Metropolitan, Millers' and Manufacturers', Monarch and Wellington,—report $60,678,467 at risk. This is a big gain over 1915, when the total was $38,520,121. The Fire Insurance Exchange increased from $6,874,502 to $13,586,016; the Hand-in-Hand from $10,386,616 to $17,498,205 and the Millers' and Manufacturers' from $4,119,639 to $13,527,826.

Total assets are $719,963 as against $651,580 in 1915 and total liabilities, not including capital stock, $308,280, as against $239,281. Receipts have grown from $556,523 to $579,806 and total expenditures from $537,616 to $538,615. Losses were down from $263,055 to $250,465.

REQUIRE LICENSES.

German Insurance Companies in U.S. Must Divulge Information.

A regulation has been promulgated by the Treasury Department of the United States, requiring all enemy or ally-of-enemy insurance companies to take out licences. The Treasury statement reads:—

Authority to license enemy or ally-of-enemy insurance companies or to withsold such license has been delegated under the trading-with-the-enemy act by the President to Secretary McAdoo, who to-day requested all State superintendents of insurance to transmit to the companies concerned notices setting forth the information required at the time the application for license is made.

Applications for licenses must be made prior to November 5, and the applications must be acted upon within 30 days after receipt. The Secretary has full discretion as to granting or refusing to grant licenses, or he may grant them under such restrictions and for such a time as he may determine.

Companies that have made applications for licenses may, until their applications are acted upon, continue to do business as provided by the terms of the President's proclamation of April 6, which allowed German insurance companies admitted to transact business in the various States of the United States to continue this business under certain restrictions, as amended by the proclamation of July 13, which withheld this privilege from companies transacting marine and war-risk insurance.

A THIRD GREATER.

Great-West Life Does Large Business in First Nine Months of 1917.

Reporting on the business of the Great-West Life Assurance Company for the first nine months of the year, C. C. Ferguson, general manager and actuary, says:—

"Our new business issued in 1917 to September was $24,849,034, the corresponding figure for 1916 is $18,398,276. Our business in force at the present time is $149,699,786. This represents a very large increase as compared with the business in force as at December 31, 1916, and is due to two causes: First, the increase in the new business issued, and second, a decrease in the amount of terminations. The 1917 lapses and surrenders to date are considerably less in amount than were the lapses and surrenders for the same period of 1916. Our death rate so far indicates that we may expect in 1917 practically the same mortality experience as in 1916."

INSURANCE MEN FARM.

Employees of Imperial Life in Toronto Raised Many Potatoes.

Early in the year the head office of The Imperial Life rented a field of seven acres in North Toronto in order to assist in the production of foodstuffs. The whole staff were unanimous in their desire to aid in this great cause and a thorough organization was completed. C. H. Armstrong was appointed manager of the farm and the staff was divided into teams of which H. W. Nosworthy, cashier; J. D. Beecroft, of the actuarial department, and H. T. Roesler, of the investment department, were made captains.

Despite a year of exceptional difficulties the farming operations have been a real success. The staff having once undertaken the proposition were most faithful in the call put on their obligations. In particular a patch of five and one-half acres of potatoes were exceptionally well cared for and promise a good yield. It is confidently expected that at least 500 bags will be attained.

NEW BUSINESS IS LIMITED BY EARLY EXPENSE

Theory That Life Companies Can Write Up as Much as They Like.

DEDUCTION FROM RESERVES

New York State By Regulating Commissions Payable to Agents Has Put General Limit on New Business.

It rarely occurs to the man on the street that there can be a limit to the amount of new business which a life insurance company can write up. Superficially it would appear as if a company could go on issuing policies as long as there were risks available. Its business is to insure people and the general idea would be that it should continue to supply the demand indefinitely. Of course, this notion is entirely wrong, and, while companies naturally like to make a good showing in the amount of new business closed, they are quite alive to the necessity of moving cautiously in this regard.

What makes it undesirable that too much new business should be taken on is the question of expense. While net premiums are loaded to an extent sufficient to cover all possible expenses and contingencies during the expected life of the policy, this loading is spread over a period of years in equal amounts. As it happens that the heaviest expenses are incurred in placing the insurance, it follows that in the initial policy-years loadings for expense are inadequate to meet requirements. Companies therefore simply make good the reserve, or unearned premium, for the first year out of the surplus already accumulated by the old policy-holders.

The First Year Premium.

It must be obvious that, if it costs a company nearly the whole, if not the whole, first year premium to secure a policy, no company can afford to place new business on its books indefinitely. Especially true is this of young companies, which have not had time to build up any considerable surplus and the number of whose policyholders is limited. Such companies have to move warily or else they are apt to find themselves in a dangerous position. Even older companies cannot afford, with entire safety, to enlarge their business beyond a certain point.

Recognizing that new risks tend to improve mortality records, a certain allowance is made by the Superintendent of Insurance in the matter of the reinsurance reserves during the early years of the life of a policy. Companies are permitted by Sub-Section 3 of Section 43 of the Insurance Act to deduct from the reserves an amount reckoned the first year by subtracting the net premium for a one-year term insurance from the corresponding net annual premium for a whole life insurance and in each of four subsequent years an amount diminishing by an equal proportion until at the end of the fifth year the reserve is up to requirements.

Young Company's Policy.

As a rule it is only the younger companies, whose surpluses are small, which take advantage of this reserve-reduction privilege. The older companies, while showing the reduction to which their policy values are entitled under the provisions of the act, do not actually make the deduction but show their reserves at the full legal valuation. To cover the deficit incurred in writing new business, they draw on their surplus and not on their reserves.

So many conditions must be taken into account in dealing with the problem—it is so vague, in many respects—that no hard and fast rule can be established as to how much new business a company can safely write. The nearest approach to regulation in the matter appears to have been reached in the State of New York, where a legal limit has been placed on the expenses which a company may incur. Maximum initial commissions are there limited to 50 per cent. Renewal commissions of 5 per cent. are permitted for fourteen years. Collection fees, after the termination of renewal commissions, are placed at 3 per cent. These regulations, by definitely circumscribing these items of expense, have tended to hold the amount of new business within certain general limits.

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The Order furnishes life insurance to members in accordance with the Standard of the Government of Ontario. Sick and funeral benefits are also given if desired.

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Cash value at maturity...$4,830.00
Total Premiums paid..... 3,374.00
Excess return $1,456.00

The policyholder was protected by $5,000 insurance during 20 years and at the end of that period the cash value constituted not only a return of all premiums but in addition a splendid surplus. Such remarkable results are worthy of attention.

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Canadians

should be thankful that our Country has a Canadian Magazine fit to take its place in the company of the big American magazines—a magazine equalling in interest and literary merit the big magazines produced in a Country of 100,000,000, where it is possible to obtain $1,000 to $5,000 a page per issue or more for advertising space.

A Magazine *of* Power

THE making of MACLEAN'S MAGAZINE month by month, year after year, has been hard labor. One difficulty was to get the right sort of matter—Canadian in origin and theme. A few years ago our country possessed few writers and artists of trained and high ability. To-day, thanks very largely to MACLEAN'S MAGAZINE, we have men and women writers and artists producing first-class work; they developed when they found a medium demanding a grade of work equalling the best contributors to American magazines. Also, the Canadian writers and artists who were finding a market for their wares in the United States turned to MACLEAN'S when this magazine showed itself to be a sufficient and creditable vehicle for their work.

The future has a good crop of A1 Canadian writers and artists in store, whose work will appear in MACLEAN'S; but consider these names of Canadian men and women who have already "arrived," and whose work appears in MACLEAN'S MAGAZINE:—

Sir Gilbert Parker,
Arthur Stringer,
Arthur E. McFarlane,
Stephen Leacock,
Robert W. Service,
Alan Sullivan,
Agnes C. Laut,
L. M. Montgomery,
"Janey Canuck,"
A. C. Allenson,

E. Phillips Oppenheim,
Peter McArthur,
L. B. Yates,
George Eustace Pearson,
W. A. Craick,
H. F. Gadsby,
C. W. Jefferys,
J. W. Beatty,
Arthur William Brown,
Lou Skuce.

These are some of the names of Canadian men and women—writers and artists—who are doing work of the highest class, acceptable to the hardest-to-get-into publications of the United States. Ten years ago such a Canadian galaxy had no existence.

BESIDES these professional writers and artists—men and women who depend on their pen and pencil and brush for their livelihood—is a big host of others who write only when successfully urged to do so—because they have something to say that is worth saying. These are usually men in a big way of business, or professional men at the top of the ladder, or men and women doing unusual work of a most important sort—often obscurely because they are not self-trumpeters of their achievements or labors. For example, such men and women as:—

THE LATE SIR MORTIMER CLARK
JOHN BAYNE MACLEAN
ERMAN J. RIDGWAY
LORD NORTHCLIFFE
JOSEPH MARTIN, M.P.
BILLY SUNDAY

All these have contributed under their own name or a nom de plume to MACLEAN'S MAGAZINE in the last 12 or 15 months, recognizing that this magazine can give their messages to the whole nation, and to a class of persons whom they wish to reach.

NOBODY who knows MACLEAN'S would ever call it a story magazine, but rather a national magazine—almost a news magazine. Stories there are in every issue—enough of them to satisfy the right and natural desire for romance, adventure, achievement, business, love and intrigue. But the greater part of the contents of every issue of MACLEAN'S MAGAZINE may be called **NEWS**—NEWS of men and their work and triumphs; news of the nation's work and workers; news of discoveries; news of movements; news of politics; news of the builders and building of Canada. MACLEAN'S, as Canada's National Magazine, prepared for thinking and intelligent men and women, must be an informative and interpretive magazine, must mirror national opinion, record national affairs and developments, and be the **VOICE** of prophets, statesmen and leaders. MACLEAN'S is a magazine of to-day—a newspaper of a sort, dealing with big news passed over by daily newspapers whose function is the recording of the day's news—passing news, and who leave the fuller statement—the summed-up presentation of things they can but touch on—to MACLEAN'S MAGAZINE.

News features of MACLEAN'S MAGAZINE greatly liked by its 50,000 readers are

The Business Outlook—article.
The Investment Situation—article.
The Review of Reviews Department.
The Nation's Business.
Women and their work.

These are regular department features appearing in every issue of MACLEAN'S. They are of the nature of surveys or digests, and perform a service welcomed and praised by all readers who aim to keep themselves broadly informed concerning what's doing in Canada, and what's being thought and said and done the wide world over.

REVIEW OF REVIEWS is the outstanding feature of MacLean's, in that it gives the best articles, in condensed form, from the best magazines of the world. A staff of trained people read and study the contents of all magazines and select for each issue of MacLean's twenty or more articles which mirror the world's progress and present the changing aspects of world opinion.

IN rounding out this presentation of Canada's National Magazine a brief reference may be made to one large and discriminating and important class of contributors to it—advertisers. Literally hundreds of them employ MACLEAN'S for their advertising, to reach the influential classes represented by MacLean's list of subscribers, and because they get national publicity economically. These makers and producers of goods of national consumption appreciate the fact that a select circulation of 50,000 gives them, among the most important families of Canada, strong **local** publicity as well as broad national publicity, and that retail distributors are both canvassed and assisted by their national advertising in MACLEAN'S MAGAZINE. They recognize that $1,000—$3,000 invested in space in MACLEAN'S MAGAZINE to buy 365-day national influence is dirt cheap publicity.

THIS is but a condensed presentation of MACLEAN'S MAGAZINE. Very much more can be said about its editorial policy and character, about its making, about its quest for and development of new contributors, about the policy that keeps canvassing methods and advertising columns clean, about the hearty approval of subscribers of MACLEAN'S MAGAZINE, about the significance of 50,000 circulation, about the wisdom of doing a "little advertising in a few magazines" as an initial step in national advertising plans; about the advertising of MACLEAN'S MAGAZINE in all the MacLean Publishing Company's list of business and technical newspapers, about the influence of MACLEAN'S MAGAZINE on distributors.

But time and space forbid here and now a continuation of the MACLEAN story.

What is enough to be impressed is—

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WAR CREATES DIFFICULTIES FOR BARCELONA

But Earnings Show an Increase of Over 40 Per Cent.

CONSTRUCTION PROGRAMME

Work Carried Forward Despite Difficulties in Securing Materials — Cost of Coal Necessitated New Hydro Plant.

In the second annual report to the shareholders of the Barcelona Traction, Light and Power Company, President E. R. Peacock emphasizes the statement of Dr. H. F. Parshall, president and consulting engineer of subsidiary companies, that substantial progress has been made during the year and that the results have been satisfactory having regard to the conditions under which they were realized. The war has made construction difficult and expensive, especially as large quantities of materials have to be brought from overseas, but the works outlined in Dr. Parshall's original report have been substantially completed. However, the continued high price of coal has necessitated a change in plans and in view of the rapid development of the market it was found necessary for the Ebro company to begin the construction of another hydro-electric unit without delay. Provisional arrangements have been made for capital to carry this construction into 1918.

The balance sheets of the Ebro Irrigation & Power Company, Limited, the Ferrocarriles de Cataluna, S.A., and the Ferrocarril de Sarria a Barcelona, the chief operating companies in Spain, show that the combined surplus earnings were much larger than in 1915:

	1916 Pesetas	1915 Pesetas	% Inc.
Gross earn. ...	20,225,827	16,804,223	20.36
Oper. expen....	6,661,217	7,202,839	*7.52
Net earn.	13,564,609	9,601,388	41.28

*Decrease.

On the above basis the net revenue amounted to $1,875,315 compared with $1,316,282 in the previous report. Interest on the prior lien A bonds amounted to $331,900 compared with $996,355, leaving a surplus of $1,543,415, against $1,219,927.

Outlook This Year.

Regarding the operations during the current year the report is optimistic, the president stating that the results for the first six months indicate a further large increase and it is anticipated that this rate of increase can be continued throughout the year. The unrest in Spain, which has been considerably emphasized in the English newspapers, has not so far affected the working results, states Dr. Parshall, who states further that the industrial situation. from a producer's point of view remains very satisfactory with no sign of diminution in the demand for electric energy. In fact a general study of the situation indicates that a wider application for all forms of propulsion and power application becomes more and more an economic necessity.

The following table gives particulars of the steam and electric generation for 1915 and 1916:

	1916 K.W.H. Generated	1915 K.W.H. Generated
Steam generation	7,166,958	18,732,298
Hydraulic generation—		
Pobla	9,238,065	9,191,910
Corbera	4,330,330	8,362,180
Seros	148,119,900	141,658,200
Tromp (10 m.).	51,085,680	....
	212,773,975	159,212,290
Total K.W.H.	219,940,933	177,944,588

New Financing.

The chief changes in the balance sheet were caused by an increase of $2,895,121 in the amount of 5 per cent. notes issuable in payment of interest on bonds, in accordance with the agreement of 9th April, 1915, and further advances to associated companies, the money thus advanced being for construction purposes. In this connection the president reports:

> The leading features of the plan approved by the bondholders were set out in last year's report. Under this plan all surplus earnings from operation up to 1st June, 1918, were to be applied to further construction, all Bond interest, excepting that on the Prior Lien "A" Bonds, being satisfied by the issue of 5 per cent. Notes. As a result, no profit and loss statement is published, as all earnings of the associated companies as and when received are applied as provided in the Committee Agreement.
>
> Early in 1916, Ptas. 6,000,000 of 6 per cent. bonds of the Sarria Railway Company were sold in Barcelona, and the proceeds applied in the purchase of a similar amount of 5 per cent. bonds of the Ferrocarriles de Cataluna, thereby providing the latter company with sufficient funds to complete the extension of its railway to the town of San Cugat, which lies about fifteen kilometres north of Barcelona. In November, traffic was opened as far as Las Planas, which lies just beyond the northern end of the tunnel through the mountain, and it is hoped that the extension to San Cugat will be opened for traffic this year.
>
> Early in 1917, Ptas. 6,000,000 of the 5 per cent. bonds of the Ferrocarriles de Cataluna were sold in Barcelona, thereby providing sufficient funds to extend the railway to Tarrasa, an important manufacturing city. The operating results of the Las Planas extension indicate that the railway, when completed to Tarrasa, will prove a profitable undertaking.
>
> The shares in the capital stock of the Tramways de Barcelone purchased by this company are still held as security for the balance of the purchase price, under the conditions explained in the last annual report, and will probably remain so until after the war. The application for a concession for unification which the Tramways Company is making is still pending, and the managing director reports that there is reason to believe it will be granted in due course. The Tramways earned a surplus over the dividend upon their common shares which this company guarantees.
>
> This company owns about 25 per cent. of the capital stock of the Energia Electrica de Cataluna, whose operations are controlled by a French group. No dividend has been paid upon this stock during the year, nor is it anticipated that there will be any dividend in the near future.

The Balance Sheet

The balance sheet shows liabilities of $96,561,868 as follows:—Ordinary stock $35,933,500, preferred stock $8,483,500, prior lien A bonds $4,866,666, prior lien B bonds $9,733,333, first mortgage fifty year bonds $36,267,324, interest payable in cash or notes $6,340,784, loans against security $3,144,204, sundry $173,320.

Assets show $93,410,762 representing investments in the different enterprises, sundry debts of $371,692 and cash $100,936. The difference amounting to $2,678,476 evidently represents the surplus which has been advanced to subsidiary companies.

It will be noted that the annual bond interest bill on the above amounts to $2,835,365 in addition to the $6,340,784 of interest accrued for which there is an obligation to issue notes.

BANKERS ANSWER CHARGE AGAINST BRANCH MANAGER.

Continued from page 9

resources so that we may be able to look after ourselves, and thereby command the respect of others."

Deposits "In Any Case."

"The couragement of deposits is the bank's business," said T. F. How, general manager of the Bank of Toronto, who added that this would not affect war loan investments of individuals in the slightest degree. Mr. How pointed to the fact that the great bulk of the money for the Dominion war loan comes from bank deposits in any case, and that in their encouragement the banks were placed in a better position to support the loan. Mr. How also mentioned the advisory support being given the minister of finance by committees of bankers. In regard to the statement in the editorial above referred to, to the effect that the branch bank manager in encouraging deposits at three per cent. as compared with investment in the war loan at five per cent. was working against the interests of the bank, Mr. How stated that the difference in the rate of interest given was the difference between an investment and a savings account, while the money on deposit in the banks was forming the source of the bulk of the support being given the loan.

All Money From Banks.

"It makes no material difference, for practically all of the money is supplied by the banks in any case," said Mr. C. A. Bogert, the, general manager of the Dominion Bank, in regard to the subject matter of the "Telegram" editorial. Mr. Bogert pointed out that it is the natural duty of all branch managers to encourage the expansion of bank deposits—by so doing, habits of thrift are inculcated and funds accumulated which can be used for purchases of war loan securities; these savings might otherwise be wasted or find their way into other less desirable channels. "It is well known," stated Mr. Bogert, "that the Canadian banks have given continuous support and encouragement to the various issues made by the Government for war purposes since the commencement of hostilities."

Will Loan To Investors.

At the Bank of Commerce Assistant General Manager H. V. F. Jones drew particular attention to the fact that far from discouraging such investments the banks were circularizing their managers directing them to advise favorably in speaking to depositors. Also he pointed out that the Minister of Finance had secured permission to officially advertise that the banks would make loans on reasonable security at favorable rates to customers who desired funds for the purpose of buying the war bonds.

R. W. Elliott, manager of the Nova Scotia Trust Company, Halifax, and J. C. Bourinot, M.P.P., who are both members of the provincial war loan executive, are organizing the three counties of Cape Breton. J. E. Burchell is chairman for the district.

RESTRICTIONS AS TO PACKAGES AFFECT TRADE

Food Controller's Announcement Came as Bolt From the Blue.

SAVING AND WASTAGE

May Be Some Saving in Price in Some Lines But There Will be Serious Losses in Other Directions.

The Food Controller's latest pronouncement dropped like a bolt from the blue on many unsuspecting manufacturers of package goods early this week. Until the extracts from the Order-in-Council appeared in the daily press, these manufacturers had no indication that any action concerning their products was contemplated and certainly did not expect that so radical a move would be undertaken, without at least giving them an opportunity to present their case. The Order-in-Council as published in the Canada Gazette brought the embargo into effect on November 1 for wholesalers, and December 1 for retailers. A little further consideration brought Mr. Hanna to the conclusion that giving only a week for wholesalers and a month for retailers to dispose of their stocks would work a hardship, and for that reason the date was extended a month in each case. This made the case somewhat more simple for the handlers, but gave no relief to the manufacturers.

There are certain goods, prohibited by the embargo from being packed in less than 20 pound cartons, which this embargo would practically rule off the market. Certain lines of breakfast foods that have developed into large industries simply cannot be handled in any such way. The character of the product, makes it not only a difficult course but an absolute impossibility. As the manager of one of these concerns stated, "If this regulation is rigidly enforced, it means that we are eliminated from the market, that our factories will have to close and that the staff will have to be dismissed. The product could not be handled in the manner suggested in the order without destroying its value."

Wastage and Saving.

The idea behind the order, according to Mr. Hanna's statement, is that by this move a saving will be entailed. This is a point that is questioned by many of the larger milling company officials, who will not suffer as much as some of the breakfast food firms, because they can more readily turn to other methods. They admit the possibility of saving by purchases of goods in comparatively large bulk, but scout the idea that any advantage is to be gained by the purchase of a few pounds in bulk. The extra packaging, and extra labor that it will entail for the retailer, will eat up any little saving that might be made. Even if the consumer bought in great bulk, there is the possibility of goods going mouldy, and thus causing a loss to the buyer.

But that is not the only phase of the situation. The elimination of the packages means the scrapping of expensive and highly developed machinery for doing this work. The value of these machines must remain as a charge against the business, while they are doing nothing to justify this charge. This is of course a comparatively small item yet one that must be considered. A more important phase of the situation is the wastage of the very packages, whose conservation is supposed to represent a saving to the consumer. Practically every manufacturing concern affected by the embargo has on hand a heavy stock of these cartons. Large stocks were purchased as a protection against the continually mounting paper costs. In some instances these holdings mount up into the millions, and represent outlays of tens of thousands of dollars. Whether these are used or not, they have still to be paid for and become a charge against the business. Nor can they be used for any other purpose. They are cut to the shape for making just such cartons.

Box Makers Affected.

Nor is this the only phase of this particular side of the question. There are the paper box manufacturers, who will also be affected, not only in the loss of business that will be a serious element, but also in this same element of waste stock. To meet the large demand of the package goods firms, these businesses have stocked heavily in the board required to make these packages. This board is of a certain weight, a certain texture and a certain size. It is especially manufactured both in the matter of quality and size to meet the needs of the package goods houses. There is no other use to which much of this stock can be put, moreover if such a use were found, it is not of suitable size and in the cutting would represent a heavy item of wastage.

THE BANK OF TORONTO

DIVIDEND No. 145

Notice is hereby given that a *Dividend of Two and Three-quarters Per Cent.* for the current quarter, being at the rate of *Eleven Per Cent., per annum*, upon the Paid-up Capital Stock of the Bank, has this day been declared, and that the same will be payable at the Bank and its branches on and after the 1st day of December next, to Shareholders of record at the close of business on the 14th day of November next.

By order of the Board,
THOS. F. HOW,
General Manager.
The Bank of Toronto, Toronto,
October 24th, 1917.

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